



Corporation Tax Act 2010

2010 CHAPTER 4

PART 23

COMPANY DISTRIBUTIONS

CHAPTER 2

MATTERS WHICH ARE DISTRIBUTIONS

Distributions in respect of special securities

1015 Meaning of “special securities”

(1) Securities of a company are special securities for the purposes of paragraph F in section 1000(1) if they meet any of conditions A to E.

[^{F1}(1A) But hybrid capital instruments (within the meaning of section 475C of CTA 2009) are not special securities by reason of meeting condition E.]

(2) Condition A is that the securities are issued as described in paragraph D in section 1000(1) (securities issued otherwise than for new consideration).

(3) Condition B is that—

(a) the securities—

- (i) are convertible (directly or indirectly) into shares in the company, or
- (ii) carry a right to receive shares in or securities of the company, and

(b) the securities are neither listed on a recognised stock exchange nor issued on terms which are reasonably comparable with the terms of issue of securities listed on a recognised stock exchange.

(4) Condition C is that under the securities the consideration given by the company for the use of the principal secured depends (to any extent) on the results of—

(a) the company's business, or

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 1015. (See end of Document for details)

- (b) any part of the company's business.
- (5) Condition D is that the securities are connected with shares in the company (see section 1017(2)).
- (6) Condition E is that the securities are equity notes—
 - (a) issued by the company (“the issuing company”), and
 - (b) held by a company which—
 - (i) is associated with the issuing company, or
 - (ii) is a funded company (see section 1017(3)).

Textual Amendments

- F1** S. 1015(1A) inserted (with effect in accordance with Sch. 20 paras. 10(a), 16 of the amending Act) by Finance Act 2019 (c. 1), **Sch. 20 para. 4**

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 1015.