



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 23

#### COMPANY DISTRIBUTIONS

### CHAPTER 2

#### MATTERS WHICH ARE DISTRIBUTIONS

#### *Interpretation of references to repayment of share capital*

#### **[<sup>F1</sup>1027A] Distributions following reduction of share capital**

- (1) This section applies for the purpose of determining whether a distribution is treated as a repayment of share capital for the purposes of this Chapter.
- (2) A distribution made out of a reserve arising from a reduction of share capital is to be treated as if it were made out of profits available for distribution otherwise than by virtue of the reduction.
- (3) The reference in subsection (2) to share capital includes, in the case of share capital issued at a premium representing new consideration, the amount of the premium.
- (4) The reference in subsection (2) to a reduction of share capital is—
  - (a) in the case of a limited company incorporated in a territory outside the United Kingdom, to a reduction under any provision of the law of that territory corresponding to Chapter 10 of Part 17 of the Companies Act 2006, and
  - (b) in the case of an unlimited company incorporated in a territory outside the United Kingdom, to a reduction under any provision of the law of that territory corresponding to any rule of law of any part of the United Kingdom under which an unlimited company may reduce its share capital.
- (5) This section does not apply for the purposes of any provision to the extent that the provision relates to income tax.]

---

**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 1027A. (See end of Document for details)

---

.....

### Textual Amendments

- F1** S. 1027A inserted (with effect in accordance with Sch. 3 paras. 5, 7 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 3 para. 1\(3\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 1027A.