



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 23

#### COMPANY DISTRIBUTIONS

### CHAPTER 3

#### MATTERS WHICH ARE NOT DISTRIBUTIONS

#### *Supplementary provisions*

#### **1062 Connected persons**

- (1) This section contains the rules for determining whether a person is connected with a company for the purposes of this Chapter.
- (2) A person is connected with a company if the person directly or indirectly possesses, or is entitled to acquire, more than 30% of—
  - (a) the issued ordinary share capital of the company,
  - (b) the loan capital and the issued share capital of the company, or
  - (c) the voting power in the company.
- (3) If a person—
  - (a) acquired, or became entitled to acquire, loan capital of a company in the ordinary course of a business which includes the lending of money, and
  - (b) takes no part in the management or conduct of the company,the person's interest in that loan capital is ignored for the purposes of subsection (2).
- (4) A person is connected with a company if the person (directly or indirectly)—
  - (a) possesses, or
  - (b) is entitled to acquire,

---

**Changes to legislation:** There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2010. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

rights that would, in the event of a winding up or in any other circumstances, entitle the person to receive more than 30% of the assets of the company which would then be available for distribution to equity holders of the company.

- (5) For the purposes of subsection (4)—
- (a) “equity holder” is to be read in accordance with sections 158 to 164, and
  - (b) the percentage of the assets of a company to which a person would be entitled is to be determined in accordance with sections 166 and 167.
- (6) In section 166 as it applies for the purposes of subsection (4)—
- (a) references to company A are to be read as including a person who is not a company, and
  - (b) references to a winding up are to be read as including references to any other circumstances in which assets of a company are available for distribution to equity holders.
- (7) A person who has control of a company is connected with it.

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2010. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 8B Ch. 10A inserted by [2024 c. 3 Sch. 2 para. 6\(4\)](#)
- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 357CG(4)(aa) inserted by [2024 c. 3 Sch. 2 para. 6\(3\)\(b\)](#)
- s. 357PD(6) inserted by [2024 c. 3 Sch. 1 para. 13\(4\)\(d\)\(iii\)](#)
- s. 357BJB(1)(da) inserted by [2024 c. 3 Sch. 2 para. 6\(3\)\(a\)\(i\)](#)
- s. 357BJB(7A) inserted by [2024 c. 3 Sch. 2 para. 6\(3\)\(a\)\(ii\)](#)
- s. 528(4A)(ba) inserted by [2024 c. 3 Sch. 7 para. 2](#)
- s. 528(4D) inserted by [2024 c. 3 Sch. 7 para. 4\(3\)](#)
- s. 528(5)(a) words in s. 528(5) renumbered as s. 528(5)(a) by [2024 c. 3 Sch. 7 para. 4\(4\)\(a\)](#)
- s. 528(5)(b) and word inserted by [2024 c. 3 Sch. 7 para. 4\(4\)\(b\)](#)
- s. 528(5A) inserted by [2024 c. 3 Sch. 7 para. 4\(5\)](#)
- s. 528(5D) inserted by [2024 c. 3 Sch. 7 para. 4\(6\)](#)
- s. 535A(7A) inserted by [2024 c. 3 Sch. 7 para. 9\(2\)](#)
- s. 544(4A) inserted by [2024 c. 3 Sch. 7 para. 7\(5\)](#)
- s. 553(4A) inserted by [2024 c. 3 Sch. 7 para. 10\(2\)\(c\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to legislation.gov.uk. Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))