



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 7

TAX TREATMENT OF FINANCING COSTS AND INCOME

CHAPTER 2

APPLICATION OF PART

263 Net debt of a company

- (1) References in section 262 to the “net debt” of a company as at any date are to—
 - (a) the sum of the company’s relevant liabilities as at that date, less
 - (b) the sum of the company’s relevant assets as at that date.
- (2) The amount determined in accordance with subsection (1) may be a negative amount.
- (3) For the purposes of this section, a company’s “relevant liabilities” as at any date are the amounts that are disclosed in the balance sheet of the company as at that date in respect of—
 - (a) amounts borrowed (whether by way of overdraft or other short term or long term borrowing),
 - (b) liabilities in respect of finance leases, or
 - (c) amounts of such other description as may be specified in regulations made by the Commissioners.
- (4) For the purposes of this section, a company’s “relevant assets” as at any date are the amounts that are disclosed in the balance sheet of the company as at that date in respect of—
 - (a) cash and cash equivalents,

Status: This is the original version (as it was originally enacted).

- (b) amounts loaned (whether by way of overdraft or other short term or long term loan),
 - (c) net investments, or net cash investments, in finance leases,
 - (d) securities of Her Majesty's government or of the government of any other country or territory, or
 - (e) amounts of such other description as may be specified in regulations made by the Commissioners.
- (5) Expressions used in subsections (3)(a) and (b) and (4)(a) to (c) have the meaning for the time being given by generally accepted accounting practice.