

1 Loans to participators

- (1) In CTA 2010, omit section 464B (relief in case of return payment to company).
- (2) The repeal made by subsection (1) has effect in relation to payments made on or after 30 October 2024.
- (3) In consequence of the repeal made by subsection (1), Part 10 of CTA 2010 is amended as follows—
 - (a) after section 464 insert—

“464ZA Treatment of certain repayments

- (1) Where—
 - (a) within any period of 30 days—
 - (i) the qualifying amount of repayments made to a close company in respect of one or more chargeable payments made by the company to a person totals £5,000 or more, and
 - (ii) the available amount of the relevant chargeable payments made by the company to the person or an associate of the person totals £5,000 or more, and
 - (b) the relevant chargeable payments are made in an accounting period subsequent to that in which the chargeable payments mentioned in paragraph (a)(i) were made,

the qualifying amount of the repayments, so far as not exceeding the available amount of the relevant chargeable payments, is to be treated for the purposes of this Chapter as a repayment of the relevant chargeable payments.

- (2) A chargeable payment is a relevant chargeable payment for the purposes of subsection (1) if (or to the extent that) it is not repaid within the period of 30 days mentioned in that subsection.
- (3) Where—
 - (a) immediately before a repayment is made in respect of one or more chargeable payments made by a close company to a person, the total amount owed to the company by the person in respect of chargeable payments is £15,000 or more,
 - (b) at the time the repayment is made, arrangements had been made for one or more chargeable payments to be made to replace some or all of the amount repaid, and
 - (c) the available amount of the chargeable payments made by the company to the person or an associate of the person under the arrangements totals £5,000 or more,the qualifying amount of the repayment, so far as not exceeding the available amount of the chargeable payments mentioned

in paragraph (c), is to be treated for the purposes of this Chapter as a repayment of those chargeable payments.

- (4) An amount contained in a chargeable payment is an available amount—
 - (a) for the purposes of subsection (1), to the extent that no repayment has been treated as made in respect of it by the previous operation of that subsection, and
 - (b) for the purposes of subsection (3), to the extent that no repayment has been treated as made in respect of it—
 - (i) by the operation of subsection (1), or
 - (ii) by the previous operation of subsection (3).
- (5) An amount contained in a repayment is a qualifying amount to the extent that it has not been treated by the previous operation of this section as a repayment of a chargeable payment.
- (6) This section does not apply in relation to a repayment which gives rise to a charge to income tax on the participator or associate by reference to whom the loan, advance or benefit was a chargeable payment.
- (7) The Treasury may by order vary a sum specified in subsection (1) or (3).
- (8) An order under subsection (7) may contain incidental, supplemental, consequential and transitional provision and savings.

464ZB Section 464ZA: supplementary

- (1) All such assessments and adjustments of assessments are to be made as are necessary to give effect to section 464ZA(1) and (3).
 - (2) If a person who has made a tax return becomes aware that, after making it, anything in it has become incorrect because of the operation of section 464ZA(1) or (3), the person must give notice to an officer of Revenue and Customs specifying how the return needs to be amended.
 - (3) The notice must be given within 3 months beginning with the day on which the person became aware that anything in the return had become incorrect because of the operation of section 464ZA(1) or (3).
 - (4) In section 464ZA, “chargeable payment” means a loan or advance made by a close company which gives rise to a charge to tax under section 455.”
- (b) omit Chapter 3B (which contained only provisions that are replaced by those inserted by paragraph (a)),

- (c) in section 438, (overview of Part 10) omit subsection (2B), and
 - (d) in section 459(2) (loan treated as made to participator), for “464C and 464D” substitute “464ZA and 464ZB”.
- (4) The amendments made by subsection (3) are treated as having come into force on 30 October 2024.