

Interest in respect of certain securities. FA83 s48(1), (2)(a), (3) and (4) 170.—(1) Subject to subsection (2), this section shall apply to any interest which is a distribution and is paid by a company in respect of a security of the company within subparagraph (ii), (iii)(I) or (v) of section 130 (2)(d), where—

(a) the security in respect of which the interest is paid was issued by the company to another company the ordinary trading activities of which include the lending of money, and

(b) either—

(i) the obligation to pay the interest was entered into before the 9th day of February, 1983, or

(ii) that obligation was entered into before the 9th day of June, 1983, pursuant to negotiations which were in progress on the 9th day of February, 1983;

but an obligation shall be treated for the purposes of paragraph (b) as having been entered into before a particular date only if before that date there was in existence a binding contract in writing under which that obligation arose and, where that contract was subject to the execution of a loan agreement, the loan agreement was duly executed before the 9th day of June, 1983.

(2) Where a period of repayment (in this subsection referred to as “the repayment period”) of either principal or interest provided for under an obligation referred to in subsection (1)(b) is extended on or after the 9th day of February, 1983 (whether or not the right to such an extension arose out of the terms of the contract creating that obligation), this section shall not apply to any interest which is paid in respect of the period by which the repayment period is extended.

(3) Interest to which this section applies shall not be treated as a distribution for the purposes of either section 159 or 162.

(4) The tax credit in respect of any interest to which this section applies shall not be available under the Corporation Tax Acts for payment to the person by whom the interest is received.