

Interest on borrowings to replace capital withdrawn in certain circumstances from a business. FA74 s37  
254.—Where a person borrows money to replace in whole or in part capital in any form formerly employed in any trade, profession or other business carried on by the person in respect of the profits or gains of which tax is charged under Schedule D, being capital which within the 5 years preceding the date of replacement was withdrawn from such use for use otherwise than in connection with a trade, profession or other business carried on by the person, interest on such borrowed money shall not be regarded as interest wholly and exclusively laid out or expended for the purposes of a trade, profession or other business.