HMRC - CFM95630 - x-Interest: Relevant Loan Relationship Amounts

CFM95630 Interest restriction: Tax-interest: Relevant loan relationship amounts

TIOPA10/S383 and TIOPA10/S386

The definition of tax-interest includes certain loan relationship debits and credits in the tax-interest amount. The legislation makes separate provision for debits (s383) and credits (s386) but these sections are similar in nature. They define a relevant loan relationship debit or credit as any amount that would be brought into account under the loan relationship provisions, whether by CTA09/PT3 or CTA09/PT5, unless it is an excluded amount.

Exchange gains and losses

A loan relationship debit or credit will be excluded if it is in respect of an exchange gain or loss.

Impairment losses and reversals

Debits will also be excluded if they arise from an impairment loss, and symmetry is ensured by also excluding credits which arise from the reversal of a previous impairment.