HMRC - CTM61680 - Close Companies: Loans To Participators: Indirect Loans - Exceptions

ICTA88/S419 (5)

A payment, transfer, release etc, arising from an arrangement described in CTM61670 may be included in the total income of the recipient of the payment etc.

When the amount included in that person’s total income is more than or equal to the amount of the loan or advance, ICTA88/S419 (5) will not apply.

This may happen, for example, where:

a payment to the recipient is treated as his/her income for IT purposes (for example, as a distribution within ICTA88/S209 or ICTA88/S418),

a loan to the recipient falls within the provisions of ITTOIA05/S633.