HMRC - CTM81030 - Equity Holders - Banks

ICTA88/SCH18/PARA1 (7) limits the extent to which a bank is treated as an equity holder under the special rule in ICTA88/SCH18/PARA1 (6) CTM81025when certain conditions are met.

The conditions are that:

the person who has directly or indirectly provided new consideration for any shares or securities in the company is a bank, and

the only new consideration the bank provides is by way of a normal commercial loan made in the normal course of its banking business, and

which belong to the company, and

in respect of which there is made to the company any of the allowances specified in (a) to (c) of ICTA88/SCH30/PARA7 (1), and

which are used for the purposes of its trade by the bank (or a person connected with the bank),

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