



Finance Act 2004

2004 CHAPTER 12

PART 4

PENSION SCHEMES ETC

CHAPTER 3

PAYMENTS BY REGISTERED PENSION SCHEMES

Introductory

162 Meaning of “loan”

- (1) This section applies for the interpretation of this Chapter.
- (2) “Loan” does not include the purchase of or subscription to debentures, debenture stock, loan stock, bonds, certificates of deposit or other instruments creating or acknowledging indebtedness which are—
 - (a) listed or dealt in on a recognised stock exchange (within the meaning of [^{F1}section 1005 of ITA 2007]), or
 - (b) offered to the public.
- (3) A guarantee of a loan made to or in respect of a [^{F2}person who is or has been a] member or sponsoring employer of a registered pension scheme [^{F3}, or to or in respect of a person who is connected with a [^{F2}person who is or has been a] member or sponsoring employer of a registered pension scheme but is not [^{F4}such a person],] is to be treated as a loan to or in respect of the [^{F2}person who is or has been a] member or sponsoring employer of an amount equal to the amount guaranteed.
- (4) If a [^{F5}person who is or has been a] member or sponsoring employer of a registered pension scheme [^{F6} or a person who is connected with a [^{F5}person who is or has been a] member or sponsoring employer of a registered pension scheme but is not [^{F7}such a person]]—

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(a) is liable to pay a debt, the right to payment of which constitutes an asset held for the purposes of the pension scheme, but

(b) is not required to pay it by the relevant date,

the debt is to be treated as a loan made by the pension scheme to the [^{F5}person who is or has been a] member or sponsoring employer on that date.

(5) The relevant date is the date by which a person at arm's length from the pension scheme might be expected to be required to pay the debt.

[^{F8}(6) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.]

Textual Amendments

- F1** Words in s. 162(2)(a) substituted (with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 468\(2\)](#) (with [Sch. 2](#))
- F2** Words in s. 162(3) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\), s. 161\(2\), Sch. 23 para. 5\(a\)](#)
- F3** Words in s. 162(3) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\), Sch. 10 paras. 6\(2\), 64\(1\)](#)
- F4** Words in s. 162(3) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\), s. 161\(2\), Sch. 23 para. 5\(b\)](#)
- F5** Words in s. 162(4) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\), s. 161\(2\), Sch. 23 para. 5\(a\)](#)
- F6** Words in s. 162(4) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\), Sch. 10 paras. 6\(3\), 64\(1\)](#)
- F7** Words in s. 162(4) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\), s. 161\(2\), Sch. 23 para. 5\(b\)](#)
- F8** S. 162(6) substituted (with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 468\(3\)](#) (with [Sch. 2](#))

Commencement Information

- I1** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)