



Corporation Tax Act 2009

2009 CHAPTER 4

PART 6

RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

CHAPTER 6

ALTERNATIVE FINANCE ARRANGEMENTS

Treatment as loan relationships

509 Application of Part 5: general

- (1) Part 5 applies in relation to alternative finance arrangements to which a company (“A”) is a party as if the arrangements were a loan relationship to which A is a party.
- (2) Accordingly, references in the Corporation Tax Acts to a loan relationship include references to such alternative finance arrangements.
- (3) Section 510 makes further provision about the way in which Part 5 applies to particular descriptions of alternative finance arrangements.

510 Application of Part 5 to particular alternative finance arrangements

- (1) In the case of purchase and resale arrangements, Part 5 applies in relation to A as if—
 - (a) the first purchase price were the amount of a loan made by the first purchaser to the second purchaser, and
 - (b) alternative finance return payable under the arrangements were interest payable on the loan.
- (2) In the case of diminishing shared ownership arrangements, Part 5 applies in relation to A as if—

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- (a) the consideration paid by the first owner for the acquisition of the first owner's beneficial interest (“the acquisition consideration”) were the amount of a loan made by A to the eventual owner, and
 - (b) alternative finance return payable under the arrangements were interest payable on the loan.
- (3) In the case of deposit arrangements, Part 5 applies in relation to A as if—
- (a) any amount deposited under the arrangements were the amount of a loan made by the depositor to the financial institution, and
 - (b) alternative finance return payable under them were interest on the loan.
- (4) In the case of profit share agency arrangements, Part 5 applies in relation to A as if—
- (a) any amount provided under the arrangements were the amount of a loan made by the principal to the agent, and
 - (b) alternative finance return payable under them were interest on the loan.
- (5) In the case of investment bond arrangements, Part 5 applies in relation to A as if alternative finance return payable to or by A under them were interest payable under the loan relationship.
- (6) In this section—
- “the depositor” has the same meaning as in section 505 (see subsection (1) of that section),
 - “the eventual owner” has the same meaning as in section 504 (see subsection (1) of that section),
 - “the first owner” has the same meaning as in section 504 (see subsection (1) of that section),
 - “the first purchaser” has the same meaning as in section 503 (see subsection (1) of that section),
 - “the first purchase price” has the same meaning as in section 503 (see subsection (3) of that section),
 - “the principal” has the same meaning as in section 506 (see subsection (1) of that section), and
 - “the second purchaser” has the same meaning as in section 503 (see subsection (1) of that section).
- (7) For the meaning of “alternative finance return”, see sections 511 to 513.

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

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

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

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)