



Corporation Tax Act 2009

2009 CHAPTER 4

PART 5

LOAN RELATIONSHIPS

CHAPTER 3

THE CREDITS AND DEBITS TO BE BROUGHT INTO ACCOUNT: GENERAL

Rules differing from generally accepted accounting practice

323 Meaning of expressions relating to insolvency etc

[^{F1}(A1) For the purposes of sections 322(5B) and 323A(1)(b) a company is unable to pay its debts if—

- (a) it is unable to pay its debts as they fall due, or
- (b) the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities.]

(1) For the purposes of section 322(6) a company is in insolvent liquidation during the period—

- (a) beginning when it goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up, and
- (b) ending when the winding up is completed or otherwise brought to an end (whether under paragraph 37 or 38 of Schedule B1 to the Insolvency Act 1986 (c. 45) or otherwise).

(2) In subsection (1) “liquidation” has the meaning given in—

- (a) section 247(2) of the Insolvency Act 1986, or
- (b) Article 6(2) of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

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- (3) For the purposes of section 322(6) a company in administration is in insolvent administration if it entered administration under—
- (a) Schedule B1 to the Insolvency Act 1986, or
 - (b) Schedule B1 to the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)),
- at a time when its assets were insufficient for the payment of its debts and other liabilities and the expenses of the administration.
- (4) For the purposes of section 322(6) a company is in insolvent administrative receivership if—
- (a) an appointment of an administrative receiver is in force in relation to the company, and
 - (b) the company was put into administrative receivership at a time when its assets were insufficient for the payment of its debts and other liabilities and the expenses of administrative receivership.
- (5) In subsection (4) “administrative receiver” has the same meaning as in—
- (a) Chapter 1 or 2 of Part 3 of the Insolvency Act 1986 (c. 45), or
 - (b) Part 4 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)),
- and “administrative receivership” is to be read accordingly.

Textual Amendments

- F1** S. 323(A1) inserted (with effect in accordance with Sch. 7 Pt. 6 of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 7 para. 17](#)

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Changes and effects yet to be applied to :

- s. 323 applied by 2010 c. 8, s. 259NEC(9) (as inserted) by 2021 c. 26 Sch. 7 para. 5

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):

- Pt. 13 Ch. 1A inserted by 2024 c. 3 Sch. 1 para. 5
- Pt. 14A inserted by 2024 c. 3 Sch. 2 para. 1
- s. 1218ZCLA and cross-heading inserted by 2024 c. 3 Sch. 5 para. 9(1)
- s. 142(5)(6) inserted by 2024 c. 3 Sch. 1 para. 9(14)(c)
- s. 322(2A)(zb) inserted by 2016 c. 24 s. 73(5)
- s. 807A substituted for s. 808-808E by 2024 c. 3 Sch. 2 para. 5(2)
- 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. 1040ZA(A1) inserted by 2024 c. 3 Sch. 2 para. 5(3)
- s. 1044(2A) inserted by 2024 c. 3 Sch. 1 para. 6(4)(b)
- s. 1044(5A)(5B) inserted by 2024 c. 3 Sch. 1 para. 6(4)(c)
- s. 1045(2A) inserted by 2024 c. 3 Sch. 1 para. 6(5)(b)
- s. 1045(4A) inserted by 2024 c. 3 Sch. 1 para. 6(5)(c)
- s. 1045ZA inserted by 2024 c. 3 Sch. 1 para. 6(6)
- s. 1045ZA(2)(3) modified by 2024 c. 3 Sch. 1 para. 21(3)(4)
- s. 1052-1053A substituted for ss. 1052, 1053 by 2024 c. 3 Sch. 1 para. 6(9)
- s. 1058B(5)(ea) inserted by 2023 c. 20 Sch. para. 57
- s. 1062A inserted by 2024 c. 3 Sch. 1 para. 6(15)
- 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. 1129(3)(d) and word inserted by 2024 c. 3 Sch. 1 para. 9(4)(b)
- s. 1131(4) inserted by 2024 c. 3 Sch. 1 para. 9(5)(b)
- s. 1132A inserted by 2024 c. 3 Sch. 1 para. 9(6)
- s. 1134(3)(e) substituted for s. 1134(3)(d) by 2024 c. 3 Sch. 1 para. 9(8)(e)(iv)
- s. 1138A applied by S.I. 2024/348 reg. 3
- s. 1138A1138B inserted by 2024 c. 3 Sch. 1 para. 9(12)
- s. 1140A inserted by 2024 c. 3 Sch. 1 para. 9(13)
- s. 1142C inserted by 2024 c. 3 Sch. 1 para. 9(16)
- s. 1142D inserted by 2024 c. 3 Sch. 1 para. 9(17)
- s. 1142E inserted by 2024 c. 3 Sch. 1 para. 9(18)
- s. 1179DT(a) omitted by 2024 c. 3 Sch. 1 para. 12(2)(a)
- s. 1179FL(a) omitted by 2024 c. 3 Sch. 1 para. 12(2)(b)
- s. 1217FA(2)(bb) inserted by 2024 c. 3 Sch. 3 para. 2(2)(c)
- s. 1217JA(3)-(10) inserted by 2024 c. 3 Sch. 3 para. 7(3)
- s. 1217KB(4A) inserted by 2024 c. 3 Sch. 3 para. 9
- s. 1217KD and cross-heading inserted by 2024 c. 3 Sch. 3 para. 10(1)
- s. 1217QA(1)(a)(b) inserted by 2024 c. 3 Sch. 4 para. 2(1)
- s. 1217RF(1)(c) and word inserted by 2024 c. 3 Sch. 4 para. 7(2)(b)
- s. 1217RF(2)(za)(zb) inserted by 2024 c. 3 Sch. 4 para. 8(1)(b)
- s. 1217RF(2)(za) omitted by 2024 c. 3 Sch. 1 para. 12(7)

- s. 1217RF(3)-(10) inserted by 2024 c. 3 Sch. 4 para. 7(3)
- s. 1217RI(4A) inserted by 2024 c. 3 Sch. 4 para. 9
- s. 1217RKA and cross-heading inserted by 2024 c. 3 Sch. 4 para. 10(1)
- s. 1218ZAA(4A) inserted by 2024 c. 3 Sch. 5 para. 2(1)
- s. 1218ZCG(1)(ba) inserted by 2024 c. 3 Sch. 5 para. 6(2)
- s. 1218ZCG(2A)-(2H) inserted by 2024 c. 3 Sch. 5 para. 6(3)
- s. 1218ZCJ(4A) inserted by 2024 c. 3 Sch. 5 para. 8
- s. 1310(4)(zc) inserted by 2024 c. 3 Sch. 1 para. 12(9)(b)