
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2010, Cross Heading: Transitional provision. (See end of Document for details)

SCHEDULES

SCHEDULE 15

CONNECTED COMPANIES: RELEASES OF DEBTS

Transitional provision

- 4 (1) The amendments made by this Schedule do not have effect in relation to a relevant acquisition that is made on or after 14 October 2009, or to a release of rights acquired by way of such an acquisition, if—
- (a) the acquisition is made pursuant to an agreement entered into before 14 October 2009, or
 - (b) the acquisition is made during the transitional period and condition A, B or C is met.
- (2) Condition A is that, before 14 October 2009—
- (a) the original creditor received a proposal from the new creditor that the acquisition should be made, or
 - (b) the new creditor received a proposal from the original creditor that the acquisition should be made.
- (3) Condition B is that—
- (a) the acquisition is of rights under a loan relationship that is represented by a security,
 - (b) during the transitional period the new creditor acquires rights under other loan relationships represented by securities, and
 - (c) before 14 October 2009, either—
 - (i) persons together holding more than 50% by value of the securities referred to in paragraphs (a) and (b) (“the bought-back securities”) received proposals from the new creditor that the acquisitions should be made, or
 - (ii) the new creditor received proposals from persons together holding more than 50% by value of the bought-back securities that the acquisitions should be made.
- (4) In sub-paragraphs (2) and (3)—
- (a) a reference to the original creditor includes any person acting on behalf of, or who controls, the original creditor,
 - (b) a reference to the new creditor includes any person acting on behalf of, or who controls, the new creditor, and
 - (c) a reference to a person holding a security includes any person acting on behalf of, or who controls, the person holding the security.
- (5) Condition C is that—

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- (a) before 14 October 2009, the Financial Services Authority gave its agreement (“the FSA agreement”) to the acquisition being made (and had not withdrawn that agreement),
 - (b) if the FSA agreement was given subject to the agreement of any other person, the agreement of that other person was also given (and not withdrawn) before that date, and
 - (c) condition A or B would have been met but for the compliance by the original creditor or the new creditor with any other term on which the FSA agreement was given.
- (6) In this paragraph—
- (a) “the original creditor”, in relation to a relevant acquisition, means the person from whom the rights are acquired, and
 - (b) “the new creditor”, in relation to a relevant acquisition, means the person who acquires the rights.
- (7) In this paragraph “the transitional period” means the period—
- (a) beginning with 14 October 2009, and
 - (b) ending with 31 January 2010.
- (8) Section 472 of CTA 2009 (meaning of “control”) applies for the purposes of this paragraph.

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