



Corporation Tax Act 2010

2010 CHAPTER 4

PART 23

COMPANY DISTRIBUTIONS

CHAPTER 3

MATTERS WHICH ARE NOT DISTRIBUTIONS

[^{F1}Distributions prior to dissolution of company

Textual Amendments

- F1** Ss. 1030A, 1030B and cross-heading inserted (with effect in accordance with art. 18 of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, **16(3)**

1030A Distributions in respect of share capital prior to dissolution of company

- (1) This section applies where—
- (a) the procedure in section 1000 of the Companies Act 2006 (power to strike off company not carrying on business or in operation) has been commenced in relation to a company, and
 - (b) the company makes a distribution in respect of share capital in anticipation of its dissolution under that section.
- (2) This section also applies where—
- (a) a company intends to make, or has made, an application under section 1003 of that Act (striking off on application by company), and
 - (b) the company makes a distribution in respect of share capital in anticipation of its dissolution under that section.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Distributions prior to dissolution of company. (See end of Document for details)

- (3) The distribution is not a distribution of a company for the purposes of the Corporation Tax Acts if conditions A and B are met (but see section 1030B).
- (4) Condition A is that, at the time of the distribution, the company—
 - (a) intends to secure, or has secured, the payment of any sums due to the company, and
 - (b) intends to satisfy, or has satisfied, any debts or liabilities of the company.
- (5) Condition B is that—
 - (a) the amount of the distribution, or
 - (b) in a case where the company makes more than one distribution falling within subsection (1)(b) or (2)(b), the total amount of the distributions, does not exceed £25,000.
- (6) In the case of a company incorporated in a territory outside the United Kingdom, any reference in subsection (1) or (2) to a section of the Companies Act 2006 is to be read as a reference to any provision of the law of that territory corresponding to that section.

1030B Section 1030A: effect of company not being dissolved, etc

- (1) Where this section applies, a distribution made by a company is to be treated for the purposes of the Corporation Tax Acts as if section 1030A(3) had never applied to it.
- (2) This section applies where 2 years have passed since the making of the distribution and—
 - (a) the company has not been dissolved during that time, or
 - (b) the company has failed—
 - (i) to secure, so far as is reasonably practicable, the payment of all sums due to the company, or
 - (ii) to satisfy all of its debts and liabilities.
- (3) In a case where this section applies, all such adjustments as are required in order to give effect to subsection (1) are to be made, whether by the making of assessments or otherwise.]

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross
Heading: Distributions prior to dissolution of company.