



Corporation Tax Act 2010

2010 CHAPTER 4

PART 23

COMPANY DISTRIBUTIONS

CHAPTER 2

MATTERS WHICH ARE DISTRIBUTIONS

Distributions in respect of non-commercial securities

1007 Securities issued at premium representing new consideration

- (1) This section applies if any security of a company is issued at a premium representing new consideration (but see also section 1008).
- (2) In relation to a distribution in respect of the security, the reference in paragraph E in section 1000(1) to however much of the distribution represents the principal secured by the security is to be read as a reference to the sum of—
 - (a) however much of the distribution represents the principal, and
 - (b) however much of it represents the premium.
- (3) In relation to a distribution in respect of the security, the reference in paragraph E in section 1000(1) to however much of the distribution represents a reasonable commercial return for the use of the principal secured by the security is to be read as a reference to the sum of—
 - (a) however much of the distribution represents a reasonable commercial return for the use of the principal, and
 - (b) however much of it represents (when regard is had to the extent to which distributions represent the premium) a reasonable commercial return for the use of the premium.

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 1007.