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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2013, Paragraph 136. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 45

#### STATUTORY RESIDENCE TEST

#### PART 4

#### ANTI-AVOIDANCE

*New special rule: distributions to participators in close companies etc*

136 In Chapter 6 (release of loan to participator in close company), after section 420 insert—

**“420A Temporary non-residents**

- (1) This section applies if an individual is temporarily non-resident.
- (2) Debts within subsection (3) are to be treated for the purposes of this Chapter as if they had been released or written off in the period of return.
- (3) A debt is within this subsection if—
  - (a) it is the debt, or a part of the debt, in respect of a loan or advance made by a company to the individual,
  - (b) it is released or written off in the temporary period of non-residence, and
  - (c) ignoring this section, the individual—
    - (i) is not liable for tax under this Chapter in respect of the release or write-off, but
    - (ii) would have been so liable, had the release or write-off taken place in the period of return.
- (4) Subsection (3)(c)(i) includes a case where the individual could be relieved of liability on the making of a claim under section 6 of TIOPA 2010 (double taxation relief), even if no claim is in fact made.”

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2013, Paragraph 136.