



# Income Tax Act 2007

## 2007 CHAPTER 3

### [<sup>F1</sup>PART 10A

#### ALTERNATIVE FINANCE ARRANGEMENTS]

##### *[<sup>F1</sup>Treatment of alternative finance return as interest etc*

#### Textual Amendments

- F1** S. 564M and cross-heading inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 2 para. 14 (with Sch. 9 paras. 1-9, 22)

#### **564M Treatment of alternative finance return as interest for ITTOIA 2005**

- (1) Alternative finance return is treated as interest for the purposes of ITTOIA 2005.
- (2) References to interest in section 380 of that Act (funding bonds) include references to alternative finance return.]

#### **[<sup>F2</sup>564N Alternative finance return under arrangements for trade or property business purposes**

- (1) This section applies so far as a person is a party to alternative finance arrangements for the purposes of—
  - (a) a trade, profession or vocation carried on by that person, or
  - (b) a property business of that person.
- (2) Alternative finance return paid by that person is treated as an expense of the trade, profession, vocation or business.
- (3) In section 58 of ITTOIA 2005—

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- (a) references to a loan include references to alternative finance arrangements, and
- (b) references to interest include references to alternative finance return.]

**Textual Amendments**

**F2** S. 564N inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 2 para. 15](#) (with Sch. 9 paras. 1-9, 22)

**[<sup>F3</sup>564O Relief for some alternative finance return under Chapter 1 of Part 8 etc**

- (1) Chapter 1 of Part 8 of this Act (interest payments) has effect as if—
  - (a) purchase and resale arrangements involved the making of a loan, and
  - (b) alternative finance return were interest.
- (2) Section 412 (information) has effect accordingly.]

**Textual Amendments**

**F3** S. 564O inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 2 para. 16](#) (with Sch. 9 paras. 1-9, 22)

**[<sup>F4</sup>564P Tax relief schemes and arrangements**

Section 809ZG (tax relief schemes and arrangements) applies to alternative finance return as it applies to interest.]

**Textual Amendments**

**F4** S. 564P inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 2 para. 17](#) (with Sch. 9 paras. 1-9, 22)

**[<sup>F5</sup>564Q Deduction of income tax at source under Part 15**

- (1) Chapter 2 of Part 15 [<sup>F6</sup>and section 876] (deduction of income tax at source: [<sup>F7</sup>exception for deposit-takers]), and Chapter 19 of that Part so far as it has effect for the purposes of Chapter 2 of that Part [<sup>F8</sup>and section 876], have effect as if—
  - (a) relevant alternative finance arrangements were a deposit,
  - (b) for the purposes of section 866(2)(a) such arrangements were a deposit consisting of a loan, and
  - (c) alternative finance return payable under such arrangements were interest.
- (2) For the purposes of subsection (1) alternative finance arrangements are relevant unless they are purchase and resale arrangements where the second purchaser is not a financial institution.
- (3) In subsection (2) “the second purchaser” has the same meaning as in section 564C.

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- (4) In Chapter 12 of Part 15 (funding bonds) references to interest include references to alternative finance return.
- (5) Chapters 3 to 5 of Part 15 [<sup>F9</sup>except section 876], and Chapter 19 of that Part so far as it has effect for the purposes of [<sup>F10</sup>those provisions], apply to alternative finance return as they apply to interest.]

#### Textual Amendments

- F5** S. 564Q inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 2 para. 18](#) (with [Sch. 9 paras. 1-9, 22](#))
- F6** Words in s. 564Q(1) inserted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by [Finance Act 2016 \(c. 24\), Sch. 6 para. 20\(1\)\(a\)](#)
- F7** Words in s. 564Q(1) substituted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by [Finance Act 2016 \(c. 24\), Sch. 6 para. 20\(1\)\(b\)](#)
- F8** Words in s. 564Q(1) inserted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by [Finance Act 2016 \(c. 24\), Sch. 6 para. 20\(1\)\(c\)](#)
- F9** Words in s. 564Q(5) inserted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by [Finance Act 2016 \(c. 24\), Sch. 6 para. 20\(2\)\(a\)](#)
- F10** Words in s. 564Q(5) substituted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by [Finance Act 2016 \(c. 24\), Sch. 6 para. 20\(2\)\(b\)](#)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)