



## LOANS TO PARTICIPATORS COMPANY SHAREHOLDERS

When a close company makes a loan to a participator (in most cases, this means a company's shareholder) and it is not repaid in the same accounting period, a corporation tax charge can arise. This is sometimes referred to as a 'Section 455' or 's.455' charge.

For loans advanced on or after 6 April 2026, the percentage charged increased to 35.75% (previously, this was 33.75%).

Where a loan to a participator is repaid, released, or written off within nine months of the end of the accounting period, relief from the s.455 tax charge can be claimed in the corporation tax return.

It is not possible to claim relief for anticipated future loan repayments. This means that company participators should take care to repay any outstanding participator loans before their company tax return is submitted.

If repayments are made after a return has been submitted, let us know, so that an amended corporation tax return can be completed, and relief claimed, as appropriate.

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