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30 April 2014

Dear Mr Stewardson

**Technical Note: Modernising the Taxation of Corporate Debt and Derivative Contracts**

I write further to the Technical Note on "Modernising the Taxation of Corporate Debt and Derivative Contracts" published by HMRC on 8 April 2014.

As you will be aware, we responded to the proposals in Chapter 11 of the HM Revenue & Customs Consultation Document '*Modernising the taxation of corporate debt and derivative contracts*', published on 6 June 2013, on behalf of our members. In this response, we highlighted the crucial importance of ensuring appropriate tax relief was available in cases of corporate rescue, in an effort to avoid unnecessarily rendering debtors insolvent.

We would like to take this opportunity to thank you for taking our response into consideration and welcome the Government's proposed rules to provide tax relief in cases of corporate rescue. In particular, we welcome the Government's plans to develop a new exemption, alongside those already provided for in section 322 of the CTA 2009, to apply to a wider range of corporate rescues, aimed at effecting earlier remedial action for consensual debt restructurings.

Should we be able to be of any further assistance, please do not hesitate to contact me.

Yours faithfully



**Clare Dawson**  
**Chief Executive, Loan Market Association**