



Finance Act 1993

1993 CHAPTER 34

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

EXCHANGE GAINS AND LOSSES

Interpretation: other provisions

^{F1}158

Textual Amendments

^{F1} S. 158 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

159 Basic valuation.

- (1) Subject to the following provisions of this section, the basic valuation of an asset or liability is—
 - (a) such valuation as the company puts on it with regard to the time immediately after the company becomes entitled or subject to it, or
 - (b) such valuation as the company would put on it with regard to that time under [^{F2}generally accepted accounting practice], if that valuation is different from that found under paragraph (a) above.
- (2) Where (apart from this subsection) the valuation under subsection (1) above would be in a currency (the actual currency) other than the nominal currency, it shall be taken

Status: Point in time view as at 24/07/2002.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Interpretation: other provisions. (See end of Document for details)

to be the equivalent, expressed in terms of the nominal currency, of the valuation in the actual currency; and the translation required by this subsection shall be made by reference to the London closing exchange rate for the two currencies concerned for the day in which the time mentioned in subsection (1) above falls.

- (3) The basic valuation of a liability falling within section 153(2)(c) or (d) above is the consideration for the company becoming subject to the liability; and any consideration or part that is not pecuniary shall be taken to be equal to its open market value—
- (a) found at the time when the company becomes subject to the liability, and
 - (b) if part of the consideration is pecuniary, expressed in the same currency as that part.
- (4) Where (apart from this subsection) the valuation under subsection (3) above would be in a currency (the actual currency) other than the nominal currency, it shall be taken to be the equivalent, expressed in terms of the nominal currency, of the valuation in the actual currency; and the translation required by this subsection shall be made by reference to the London closing exchange rate for the two currencies concerned for the day on which the company becomes subject to the liability.

[^{F3}(5) Where—

- (a) a company becomes entitled, on any transfer by virtue of which it becomes a party to a loan relationship, to a right of settlement under a qualifying debt on a security, and
- (b) that transfer is a transfer with accrued interest,

the basic valuation of that right shall be found by taking the consideration for the company's becoming entitled to the right and then deducting the amount of the accrued interest the right to which is transferred.]

- (10) Subsections (11) and (12) below apply where—
- (a) section 127 above applies as regards an asset or liability for an accrual period (the earlier period), and
 - (b) section 125 or 127 above applies as regards the asset or liability for the next accrual period (the later period).
- (11) As regards the later period the basic valuation of the asset or liability shall be taken to be—
- (a) the nominal amount of the debt outstanding immediately before the beginning of the later period, or
 - (b) if section 127(7) above also applies as regards the earlier period, the amount found under section 127(10) for that period.
- (12) As regards an accrual period which falls after the later period the basic valuation of the asset or liability shall be the amount found under subsection (11) above, subject to any subsequent application of that subsection.

Textual Amendments

- F2** Words in s. 159(1)(b) substituted (24.7.2002) by 2002 c. 23, s. 103(4)(b)
- F3** S. 159(5) substituted (29.4.1996 but without application in relation to transfers before 1.4.1996) for s. 159(5)-(9) by 1996 c. 8, s. 104, Sch. 14 para. 73 (with ss. 80-105)

Modifications etc. (not altering text)

- C1** S. 159 modified (23.3.1995) by S.I. 1994/3226, regs. 6(1)(6), 8(5)

Status: Point in time view as at 24/07/2002.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Interpretation: other provisions. (See end of Document for details)

S. 159 excluded (23.3.1995) by S.I. 1994/3226, **reg. 6(3)**

F4 160

Textual Amendments

F4 S. 160 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F5 161

Textual Amendments

F5 S. 161 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F6 162

Textual Amendments

F6 S. 162 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F7 163

Textual Amendments

F7 S. 163 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F8 164

Textual Amendments

F8 S. 164 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Status:

Point in time view as at 24/07/2002.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1993, Cross Heading:
Interpretation: other provisions.