



Finance Act 1995

1995 CHAPTER 4

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Exchange gains and losses and currency contracts

130 Exchange gains and losses: general

Schedule 24 to this Act (which amends the provisions of the Finance Act 1993 relating to exchange gains and losses and other provisions connected with exchange gains and losses) shall have effect.

131 Exchange gains and losses: transitional provision

(1) The provisions specified in subsection (2) below, so far as they require a disposal to be treated, for the purposes of the Taxation of Chargeable Gains Act 1992, as a disposal on which neither a gain nor a loss accrues, shall not apply in relation to any disposal of a qualifying asset which is made—

- (a) by one qualifying company to another such company; and
- (b) at a time before the commencement day of the company making the disposal and on or after the commencement day of the company to which the disposal is made.

(2) The provisions referred to in subsection (1) above are—

- (a) sections 139, 140A, 171, 172, 215, 216 and 217A of the Taxation of Chargeable Gains Act 1992; and
- (b) section 486(8) of the Taxes Act 1988.

(3) In this section—

“commencement day”, in relation to a qualifying company, means that company’s commencement day for the purposes of section 165 of the Finance Act 1993;

Status: This is the original version (as it was originally enacted).

“qualifying asset”, in relation to a disposal, means anything which, after the disposal, is by virtue of section 153 of that Act a qualifying asset in relation to the company to which the disposal was made; and

“qualifying company” means any company which is a qualifying company within the meaning of section 152 of that Act.

- (4) This section has effect in relation to any disposal of an asset taking place on or after 1st January 1995.

132 Currency contracts: transitional provisions

- (1) Section 175 of the Finance Act 1994 (currency contracts: transitional provisions) shall be deemed to have been enacted with the modifications set out below.

- (2) In subsection (1) after paragraph (b) there shall be inserted “and

- (c) the circumstances are such that if any profit or loss accrues (or were to accrue) to the company as regards the contract for an accounting period beginning before that time it falls (or would fall) to be taken into account as a profit or loss of the trade or part,”.

- (3) For subsection (2) there shall be substituted—

“(2) In a case where—

- (a) at any time, a currency contract held by a qualifying company becomes a qualifying contract by virtue of section 147(2) above, and
- (b) the circumstances are such that if any profit or loss accrues (or were to accrue) to the company as regards the contract for the accounting period beginning with that time it does not fall (or would not fall) to be taken into account as a profit or loss of a trade or part of a trade carried on by the company,

in applying section 158(2) and (4) above in relation to the contract and the period section 153(4) and (5) above shall be treated as omitted.”