

SCHEDULES

SCHEDULE 24

EXCHANGE GAINS AND LOSSES

PART I

AMENDMENTS OF FINANCE ACT 1993

Chargeable gains

- 6 In Schedule 17, the following paragraph shall be substituted for paragraph 5—
- “5 (1) This paragraph applies where—
- (a) a right to settlement under a debt on a security is a qualifying asset,
 - (b) there occurs in relation to the security an event which is a disposal of it for the purposes of the 1992 Act by a qualifying company or which would be such a disposal but for section 127 of that Act (reorganisations),
 - (c) the event occurs on or after the company’s commencement day, and
 - (d) immediately before the occurrence of the event the company did not hold the right in exempt circumstances.
- (2) In applying section 117 of that Act (qualifying corporate bonds) in relation to the event mentioned in sub-paragraph (1) above or to a transaction (if any) falling within sub-paragraph (4) below, that section shall be construed as if subsection (1)(b) (corporate bond must be in sterling) were omitted.
- (3) Where the settlement currency of the debt is a currency other than sterling, then, in applying section 117 of the 1992 Act in relation to the event mentioned in sub-paragraph (1) above or to a transaction (if any) falling within sub-paragraph (4) below—
- (a) the definition of normal commercial loan for the purposes of section 117(1)(a) shall have effect, and be treated as always having had effect, as if paragraphs (b) and (c) of paragraph 1(5) of Schedule 18 to the Taxes Act 1988 had always been omitted;
 - (b) section 117 shall be construed as if subsection (10) (securities issued within group) were omitted.
- (4) A transaction falls within this sub-paragraph if—
- (a) it is a transaction in relation to which sections 127 to 130 of the 1992 Act apply by virtue of any provision of Chapter II of Part IV of that Act, or would apply apart from section 116 of that Act,

Status: This is the original version (as it was originally enacted).

- (b) it is a transaction under which the qualifying company becomes entitled to the right,
 - (c) it occurs on or after the company's commencement day but before the event mentioned in sub-paragraph (1) above, and
 - (d) the company holds the right at all times following the time when it becomes entitled to it and preceding the event mentioned in sub-paragraph (1) above.
- (5) Paragraph 3 above applies for the purposes of this paragraph as if references to currency were references to a right.”