

SCHEDULES

SCHEDULE 26

DERIVATIVE CONTRACTS

PART 2

DERIVATIVE CONTRACTS

Contracts excluded by virtue of their underlying subject matter

- 4 (1) A relevant contract is not a derivative contract for the purposes of this Schedule if its underlying subject matter consists wholly of any one or more of the excluded types of property or is treated as consisting wholly of such property.
- (2) For the purposes of this paragraph as it relates to an option or future, the excluded types of property are—
- (a) land, whether situated in the United Kingdom or elsewhere;
 - (b) tangible movable property, other than commodities which are tangible assets;
 - (c) intangible fixed assets;
 - (d) shares in a company;
 - (e) rights of a unit holder under a unit trust scheme; and
 - (f) any assets representing loan relationships to which either section 92 or 93 of the Finance Act 1996 (c. 8) applies.
- (3) For the purposes of this paragraph as it relates to a contract for differences, the excluded types of property are those falling within paragraphs (a),(b) and (d) to (f) of sub-paragraph (2).
- (4) Paragraph 9 applies for the purpose of determining whether the underlying subject matter of a relevant contract is to be treated as consisting wholly of any one or more of the excluded types of property.
- (5) This paragraph has effect subject to paragraphs 5 to 8 (which qualify the exclusion of relevant contracts by this paragraph).