

## SCHEDULES

### SCHEDULE 27

#### DERIVATIVE CONTRACTS: MINOR AND CONSEQUENTIAL AMENDMENTS

##### *The Taxes Act 1988*

- 14 (1) Schedule 5AA (guaranteed returns on transactions in futures and options) is amended as follows.
- (2) In paragraph 1 (profits and gains of transactions with guaranteed returns chargeable to tax under Schedule 5AA to the Taxes Act 1988)—
- (a) omit paragraphs (b) and (c) of sub-paragraph (2) (exceptions for profits and gains arising from a qualifying contract and profits and gains arising to an authorised unit trust),
  - (b) omit sub-paragraph (3) (definitions of “qualifying company” and “qualifying contract”),
  - (c) in sub-paragraph (5) (when loss in transaction sustained for purposes of sections 392 and 396 of the Taxes Act 1988), omit “and 396”,
  - (d) in sub-paragraph (6) (specified amounts not to be brought into account for purposes of income tax, corporation tax or capital gains tax except under Schedule 5AA or section 392 or 396)—
    - (i) omit “, corporation tax”, and
    - (ii) omit “or 396”, and
  - (e) omit sub-paragraph (7) (bringing receipts into account in any Case I computation made in respect of life insurance).
- (3) In paragraph 2 (transactions to which Schedule 5AA applies) omit sub-paragraph (3) (application of Schedule to disposals of futures or options to which section 93A of the Finance Act 1996 (c. 8) refers).
- (4) In paragraph 4 (meaning of disposals of futures or options) omit sub-paragraph (4A) (application of paragraph to associated transactions to which section 93A of the Finance Act 1996 refers).
- (5) In paragraph 4A (futures running to delivery and options exercised)—
- (a) in sub-paragraph (5)(b) (loss in deemed transaction brought into account for purposes of section 392 or 396 of the Taxes Act 1988 in accordance with paragraph 1(5) of Schedule 5AA), omit “or 396”, and
  - (b) omit sub-paragraph (10A) (application of paragraph to associated transactions to which section 93A of the Finance Act 1996 refers).
- (6) In paragraph 6 (meaning of related transactions) omit sub-paragraph (3A) (application of paragraph to associated transactions to which section 93A of the Finance Act 1996 refers).
- (7) Omit paragraph 9 (apportionment in the case of insurance companies).