

SCHEDULES

SCHEDULE 10

AMENDMENT OF ENACTMENTS THAT OPERATE BY REFERENCE TO ACCOUNTING PRACTICE

PART 1

LOAN RELATIONSHIPS

Main computational provisions

- 2 (1) Section 84A of that Act (exchange gains and losses from loan relationships) is amended as follows.
- (2) For subsection (3) substitute—
- “(3) Subsection (1) does not apply to an exchange gain or loss of a company to the extent that it arises—
- (a) in relation to an asset or liability representing a loan relationship of the company, or
 - (b) as a result of the translation from one currency to another of the profit or loss of part of the company’s business,
- and is recognised in the company’s statement of recognised gains and losses or statement of changes in equity.
- (3A) Subsection (1) does not apply to so much of an exchange gain or loss arising to a company in relation to an asset or liability representing a loan relationship of the company as falls within a description prescribed for the purpose in regulations made by the Treasury.”.
- (3) Omit subsections (4) to (7).
- (4) In subsection (8) after “(3)” insert “or (3A)”.
- (5) In subsection (10) at the end add “and power to make provision subject to an election or to other prescribed conditions”.