

SCHEDULES

SCHEDULE 8

FINANCING OF COMPANIES ETC: TRANSFER PRICING AND LOAN RELATIONSHIPS

Commencement and transitional provisions

- 4 (1) Except where sub-paragraph (2) or (3) applies, the amendments made by this Schedule have effect in relation to accounting periods beginning on or after 4th March 2005.
- (2) As regards any actual provision that constitutes, or gives rise to, a debtor relationship entered into in pursuance of a contract—
- (a) made before 4th March 2005, and
 - (b) not varied after that date, or not varied until after that date,
- the amendments made by paragraph 1(2), (3) and (5) apply only in relation to accounting periods beginning on or after 1st April 2007 or, in a case where the contract is varied before 1st April 2007, in relation to accounting periods beginning on or after the date of the variation.
- (3) As regards a debtor relationship entered into in pursuance of a contract—
- (a) made before 4th March 2005, and
 - (b) not varied after that date, or not varied until after that date,
- the amendments made by paragraph 2(2)(a) and (e), (3) and (4) and paragraph 3(2) and (4) to (7) apply only in relation to accounting periods beginning on or after 1st April 2007 or, in a case where the contract is varied before 1st April 2007, in relation to accounting periods beginning on or after the date of the variation.
- (4) In the case of a company's accounting period ("the straddling period") that begins before and ends on or after a relevant date, for the purposes of sub-paragraph (1) or (where it applies) sub-paragraph (2) or (3) the amendments made by this Schedule have effect as if the straddling period consisted of—
- (a) one accounting period beginning with the straddling period and ending with the day before the relevant date, and
 - (b) a second accounting period beginning with the relevant date and ending with the straddling period,
- and the company's profits and losses are to be computed accordingly for tax purposes.
- (5) A reference in sub-paragraph (2) or (3) to a variation of a contract does not include a reference to a variation that does not affect the terms of the debtor relationship in question.
- (6) Sub-paragraph (3) is not to be read as allowing or requiring a debit to be brought into account under Chapter 2 of Part 4 of FA 1996 for an accounting period beginning on or after 1st April 2007, or the date of the variation, in respect of any amount of interest or discount in respect of which a debit is so brought into account for any earlier accounting period.

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

- (7) In the application of this paragraph to a person within the charge to income tax—
- (a) a reference to an accounting period is to be read as a reference to a period of account;
 - (b) a reference in sub-paragraph (4) to a company is to be read as a reference to such a person.
- (8) In this paragraph—
- “actual provision” has the same meaning as in Schedule 28AA to ICTA;
 - “debtor relationship”—
 - (a) in relation to a company, has the meaning given by section 103(1) of FA 1996;
 - (b) in relation to a person other than a company, has a corresponding meaning;
 - “relevant date” means—
 - (a) 4th March 2005 for the purposes of sub-paragraph (1);
 - (b) 1st April 2007, or (as the case may be) the date of the variation, for the purposes of sub-paragraph (2) or (3).