

*These notes refer to the Corporation Tax Act 2009  
(c.4) which received Royal Assent on 26 March 2009*

# **CORPORATION TAX ACT 2009**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 7: Derivative contracts**

##### **Overview**

##### *Chapter 11: Tax avoidance*

##### *Section 698: Disposals for consideration not fully recognised by accounting practice*

1934. This section brings into account that part of the consideration for a disposal of rights or liabilities under a derivative contract that is not fully recognised under applicable generally accepted accounting practice, if the company in question made the disposal with avoidance motives. It is based on paragraph 27A of Schedule 26 to FA 2002.
1935. *Subsection (5)* gives priority to paragraph 1(2) of Schedule 28AA to ICTA, if that provision would apply a tax charge on the disposal in question. That paragraph may operate in effect through section 693.