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## SCHEDULES

### SCHEDULE 1

#### MINOR AND CONSEQUENTIAL AMENDMENTS

#### PART 2

##### OTHER ENACTMENTS

##### *Finance Act 1996 (c. 8)*

- 402      The Finance Act 1996 is amended as follows.
- 403      Omit section 80 (taxation of loan relationships).
- 404      Omit section 81 (meaning of “loan relationship” etc).
- 405      Omit section 82 (methods of bringing amounts into account).
- 406      Omit section 83 (non-trading deficit on loan relationships).
- 407      Omit section 84 (debits and credits brought into account).
- 408      Omit section 84A (exchange gains and losses from loan relationships).
- 409      Omit section 85A (computation in accordance with generally accepted accounting practice).
- 410      Omit section 85B (amounts recognised in determining a company's profit or loss).
- 411      Omit section 85C (amounts not fully recognised for accounting purposes).
- 412      Omit section 87 (accounting method where parties have a connection).
- 413      Omit section 87A (meaning of “control” in section 87).
- 414      Omit section 88 (exemption from section 87 in certain cases).
- 415      Omit section 88A (accounting method where rate of interest is reset).
- 416      Omit section 90A (change of accounting basis applicable to assets or liabilities).
- 417      Omit section 91A (shares subject to outstanding third party obligations).
- 418      Omit section 91B (non-qualifying shares).
- 419      Omit section 91C (Condition 1 for section 91B(6)(b)).
- 420      Omit section 91D (Condition 2 for section 91B(6)(b)).
- 421      Omit section 91E (Condition 3 for section 91B(6)(b)).
- 422      Omit section 91F (power to add, vary or remove Conditions for section 91B(6)(b)).
- 423      Omit section 91G (shares beginning or ceasing to be subject to section 91A or 91B).
- 424      Omit section 91H (payments in return for capital contribution).

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- 425 Omit section 91I (change of partnership shares).
- 426 Omit section 93C (creditor relationships and benefit derived by connected persons).
- 427 Omit section 94 (indexed gilt-edged securities).
- 428 Omit section 94A (loan relationships with embedded derivatives).
- 429 Omit section 94B (loan relationships treated differently by connected debtor and creditor).
- 430 Omit section 95 (gilt strips).
- 431 Omit section 96 (special rules for certain other gilts).
- 432 Omit section 97 (manufactured interest).
- 433 Omit section 98 (collective investment schemes).
- 434 Omit section 99 (insurance companies).
- 435 Omit section 100 (money debts etc not arising from the lending of money).
- 436 Omit section 101 (financial instruments).
- 437 Omit section 103 (interpretation of Chapter).
- 438 In section 154 (FOTRA securities), omit subsections (2), (3), (5), (6) and (8).
- 439 In section 203(9) (modification of the Agriculture Act 1993) for “Chapter II of Part IV of this Act” substitute “ Part 5 of the Corporation Tax Act 2009 (loan relationships) ”.
- 440 Omit Schedule 8 (loan relationships: claims etc relating to deficits).
- 441 Omit Schedule 9 (loan relationships: special computational provisions).
- 442 Omit Schedule 10 (loan relationships: collective investment schemes).
- 443 Omit Schedule 11 (loan relationships: special provisions for insurers).
- 444 (1) Amend Schedule 15 (loan relationships: savings and transitional provisions) as follows.
  - (2) Omit—
    - (a) paragraph 2 (loan relationships terminated before 1st April 1996),
    - (b) paragraph 3 (basic rules for transitional accounting periods),
    - (c) paragraph 3A (adjustment of opening value where new accounting basis adopted as from an accounting period beginning on 1st April 1996), and
    - (d) paragraph 4 (application of accruals basis to pre-commencement relationships).
  - (3) In paragraph 5—
    - (a) in sub-paragraph (5) for “this Chapter is” substitute “ this Chapter (as it had effect immediately before 1st April 2009) was ”,
    - (b) in sub-paragraph (6)(b)—
      - (i) for “which is” substitute “ which was ”, and
      - (ii) after “this Chapter” insert “ (as it had effect immediately before 1st April 2009) ”, and
    - (c) in sub-paragraph (7)—
      - (i) for “taken to be” substitute “ taken to have been ”,

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- (ii) for “is treated” substitute “ was treated ”, and
  - (iii) after “paragraph 4 above” insert “ (as it had effect immediately before 1st April 2009) ”.
- (4) In paragraph 6—
  - (a) in sub-paragraph (3) for “this Chapter” substitute “ Part 5 of the Corporation Tax Act 2009 ”,
  - (b) for sub-paragraphs (4) to (7) substitute—

“(4) Sub-paragraphs (1) to (3) above do not apply if the company duly made an election for the purposes of this sub-paragraph as it had effect on 30th September 1996.”, and
  - (c) in sub-paragraph (8)—
    - (i) for “section 82(2) of this Act” substitute “ section 297 of the Corporation Tax Act 2009 ”, and
    - (ii) at the end insert “ under Part 5 of that Act ”.
- (5) In paragraph 9—
  - (a) in sub-paragraph (1) after “this Chapter” insert “ or Part 5 of the Corporation Tax Act 2009 ”, and
  - (b) in sub-paragraph (2)—
    - (i) after “this Chapter”, in the first place where it occurs, insert “ or that Part ”, and
    - (ii) after “this Chapter”, in the second place where it occurs, insert “ or, as the case may be, that Part ”.
- (6) Omit paragraph 10 (adjustments of opening value for mark to market accounting in the case of chargeable assets).
- (7) In paragraph 11 (other adjustments in the case of chargeable assets etc)—
  - (a) in sub-paragraphs (1) and (3)(a) for “this Chapter” substitute “ Part 5 of the Corporation Tax Act 2009 ”,
  - (b) in sub-paragraph (6) at the end insert “ under Part 5 of the Corporation Tax Act 2009 ”, and
  - (c) in sub-paragraph (8) after “this Chapter” insert “ and Part 5 of the Corporation Tax Act 2009 ”.
- (8) In paragraph 11A(2) (reduction of paragraph 11 credit where section 251(4) of 1992 Act prevents paragraph 8 loss) for “this Chapter” substitute “ Part 5 of the Corporation Tax Act 2009 ”.
- (9) In paragraph 12 (notional closing values of relevant assets)—
  - (a) in sub-paragraph (2) for “makes” substitute “ made ”, and
  - (b) in sub-paragraph (3)—
    - (i) for “is made” substitute “ was made ”, and
    - (ii) after “this Chapter” insert “ and Part 5 of the Corporation Tax Act 2009 ”.
- (10) Omit—
  - (a) paragraph 13 (further transitional rules where interest under loan relationships),

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- (b) paragraph 14 (transitional in respect of incidental expenses already allowed), and
  - (c) paragraph 15 (holdings of unit trusts etc).
- (11) In paragraph 16 (bad debt relieved before commencement of FA 1996)—
  - (a) in sub-paragraph (2)—
    - (i) after “this Chapter”, in the first place where it occurs, insert “ or Part 5 of the Corporation Tax Act 2009 ”, and
    - (ii) after “this Chapter”, in the second place where it occurs, insert “ or that Part ”,
  - (b) in sub-paragraph (3)—
    - (i) after “this Chapter”, in the first place where it occurs, insert “ and Part 5 of the Corporation Tax Act 2009 ”, and
    - (ii) after “this Chapter”, in the second place where it occurs, insert “ and that Part ”, and
  - (c) in sub-paragraph (4) for “falls” substitute “ fell ”.
- (12) In paragraph 17 (transitional for overseas sovereign debt etc)—
  - (a) in sub-paragraph (1) after “this Chapter” insert “ and Part 5 of the Corporation Tax Act 2009 ”, and
  - (b) in sub-paragraph (3)—
    - (i) after “this Chapter”, in the first place where it occurs, insert “ and Part 5 of the Corporation Tax Act 2009 ”, and
    - (ii) after “this Chapter”, in the second place where it occurs, insert “ and that Part ”.
- (13) Omit paragraph 18 (transitional for accrued income scheme).
- (14) In paragraph 19 (deep discount securities)—
  - (a) omit sub-paragraphs (1) and (2),
  - (b) in sub-paragraphs (3A), (4), (5), (6), (7) and (8) for “this Chapter” substitute “ Part 5 of the Corporation Tax Act 2009 ”,
  - (c) omit sub-paragraph (10), and
  - (d) in sub-paragraph (11)(b) for “this Chapter is” substitute “ this Chapter was ”.
- (15) In paragraph 20 (deep gain securities)—
  - (a) omit sub-paragraph (1),
  - (b) in sub-paragraphs (2A) and (3) for “this Chapter” substitute “ Part 5 of the Corporation Tax Act 2009 ”, and
  - (c) in sub-paragraph (5) for “this Chapter is” substitute “ this Chapter (as it had effect immediately before 1st April 2009) was ”.
- (16) In paragraph 21 (convertible securities)—
  - (a) omit sub-paragraph (1), and
  - (b) in sub-paragraphs (2) and (4) for “this Chapter” substitute “ Part 5 of the Corporation Tax Act 2009 ”.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)