



Corporation Tax Act 2009

2009 CHAPTER 4

PART 7

DERIVATIVE CONTRACTS

CHAPTER 6

SPECIAL KINDS OF COMPANY

Insurance companies

635 Creditor relationships: embedded derivatives which are options

- (1) This section applies if in any accounting period—
- a company is a party to a creditor relationship for the purposes of its [^{F1}basic life assurance and general annuity business], and
 - that creditor relationship is one in relation to which sections 415 and 585 (which both apply to loan relationships with embedded derivatives) would have effect but for the fact that the company accounts for the creditor relationship at fair value through profit and loss.
- (2) [^{F2}For the purpose of applying the I - E rules, this Part] and Part 5 (loan relationships) have effect for that accounting period as they would if the creditor relationship were one in relation to which those sections have effect.

Textual Amendments

- F1** Words in s. 635(1)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 169\(2\)](#)
- F2** Words in s. 635(2) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 169\(3\)](#)

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

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](#)