



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 2

#### CALCULATION OF LIABILITY IN RESPECT OF PROFITS

### CHAPTER 4

#### CURRENCY

*The currency to be used in tax calculations*

#### **6 UK resident company operating in sterling and preparing accounts in another currency**

- (1) This section applies if, for a period of account, in accordance with generally accepted accounting practice, a UK resident company [<sup>F1</sup>(other than a UK resident investment company)]—
- (a) prepares its accounts in a currency other than sterling, and
  - (b) in those accounts identifies sterling as its functional currency.

[<sup>F2</sup>(1A) This section also applies if, for a period of account, a UK resident investment company

- (a) in accordance with generally accepted accounting practice, prepares its accounts in a currency other than sterling, and
- (b) either—
  - (i) has sterling as its designated currency for that period of account (see sections 9A and 9B), or
  - (ii) if it does not have a designated currency for that period, in those accounts identifies sterling as its functional currency in accordance with generally accepted accounting practice.]

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**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 6. (See end of Document for details)

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- (2) Profits or losses of the company for the period that fall to be calculated in accordance with generally accepted accounting practice for corporation tax purposes must be calculated in sterling as if the company prepared its accounts in sterling.

**Textual Amendments**

- F1** Words in s. 6(1) inserted (with effect in accordance with Sch. 7 para. 8 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 7 para. 1\(2\)](#)
- F2** S. 6(1A) inserted (with effect in accordance with Sch. 7 para. 8 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 7 para. 1\(3\)](#)

**Modifications etc. (not altering text)**

- C1** S. 6 applied (with modifications) by 2010 c. 8, s. 371SI(2) (as inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#)), [Sch. 20 para. 1](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 6.