



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

[^{F1}9A Designated currency of a UK resident investment company

- (1) The designated currency of a UK resident investment company is the currency which the company elects as its designated currency.
- [^{F2}(2) An election under this section by a company (“X”) takes effect only if, at the time when it is to take effect (see section 9B(1))—
 - (a) X is a UK resident investment company, and
 - (b) Condition A or Condition B is met.]
- [^{F3}(3)
- (4) Condition A is that a significant proportion of X's assets and liabilities are denominated in the currency.
- (5) Condition B is that—
 - (a) the currency is the functional currency of another company, and
 - (b) it is reasonable to assume that the two companies will meet the consolidation condition.
- (6) X and another company (“Y”) meet the consolidation condition at any time if—

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 9A. (See end of Document for details)

- (a) for a period which includes that time, the financial results of X are comprised in financial statements of Y's group prepared in accordance with acceptable accounting practice, or
 - (b) if no financial statements of the group are prepared in accordance with acceptable accounting practice for a period which includes that time, the financial results of X would be comprised in financial statements of Y's group for a period which includes that time if such statements were prepared in accordance with international accounting standards.
- (7) In subsection (6)—
- “ financial statements of the group ” means consolidated financial statements of Y and its subsidiaries [^{F4}(and for this purpose “subsidiaries” has the meaning given by international accounting standards)],
 - [^{F5}“Y's group” means a worldwide group of which Y is the ultimate parent within the meaning of Part 10 of TIOPA 2010,]
 - “ acceptable accounting practice ” means—
 - (a) international accounting standards,
 - (b) UK generally accepted accounting practice, or
 - (c) accounting practice which is generally accepted in the country in which Y is resident.
- (8) A currency is the designated currency of X for a period of account if the election in respect of that currency has effect throughout that period (see section 9B).]
- [^{F6}(9) In relation to any period of account for which a currency is X's designated currency as a result of an election under this section, profits or losses of X that fall to be calculated in accordance with generally accepted accounting practice for corporation tax purposes must be calculated as if—
- (a) the designated currency were the functional currency of the company, and
 - (b) no part of X's business could, in accordance with generally accepted accounting practice, be regarded as having another currency as its functional currency.]

Textual Amendments

- F1** Ss. 9A, 9B inserted (with effect in accordance with Sch. 7 para. 8 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 7 para. 3](#)
- F2** S. 9A(2) substituted (18.11.2015) (with effect in accordance with s. 34(14) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 34\(3\)](#)
- F3** S. 9A(3) omitted (18.11.2015) (with effect in accordance with s. 34(14) of the amending Act) by virtue of [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 34\(4\)](#)
- F4** Words in s. 9A(7) substituted (with effect in accordance with Sch. 8 para. 28 of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 8 para. 27\(a\)](#)
- F5** Words in s. 9A(7) substituted (with effect in accordance with Sch. 8 para. 28 of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 8 para. 27\(b\)](#)
- F6** S. 9A(9) inserted (18.11.2015) (with effect in accordance with s. 34(14) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 34\(5\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 9A.