



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}9C Chargeable gains and losses of companies

- (1) This section applies if—
 - (a) a company disposes of an asset which is a ship, an aircraft, shares or an interest in shares, and
 - (b) at any time beginning with the company's acquisition of the asset (or, if earlier, the time allowable expenditure was first incurred in respect of the asset) and ending with the disposal, the company's relevant currency is not sterling.
- (2) A company's relevant currency at any time is its functional currency at that time, subject to subsection (3).
- (3) If, at any time—
 - (a) a company is a UK resident investment company, and
 - (b) the company has a designated currency (see sections 9A and 9B) which is different from its functional currency,the company's relevant currency at that time is that designated currency.
- (4) If the relevant currency of the company at the time of the disposal is not sterling, the chargeable gain or loss accruing to the company on the disposal must be calculated as follows—

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

Step 1 Calculate the chargeable gain or loss in the relevant currency of the company at the time of the disposal.

Step 2 Translate the amount of the chargeable gain or loss into sterling by reference to the spot rate of exchange on the day of the disposal.

- (5) In any case, subsections (6) to (10) apply for the purposes of calculating the chargeable gain or loss.
- (6) Where any allowable expenditure is incurred in a currency which is not the company's relevant currency at the time it is incurred, that expenditure is to be translated into that relevant currency by reference to the spot rate of exchange for the day on which it is incurred.
- (7) Where, at any time after any allowable expenditure is incurred but before the asset is disposed of, there is a change in the company's relevant currency, that expenditure is to be translated (or, if it has previously been translated under this section, further translated) into the relevant currency of the company immediately following the change, by reference to the spot rate of exchange for the day of the change.
- (8) Any amount of consideration for the disposal which is given in a currency other than the company's relevant currency is to be translated into that relevant currency by reference to the spot rate of exchange on the day of disposal.
- (9) For the purposes of subsections (6) and (7)—
 - (a) any translation of expenditure under subsection (6) is to be done before any translation of the expenditure under subsection (7), and
 - (b) if subsection (7) applies as a result of more than one change in the company's relevant currency, it is to be applied in relation to each change in the order the changes were made (with the earliest first).
- (10) Where, by virtue of any enactment, the company was at any time treated for the purposes of corporation tax on chargeable gains as acquiring the asset—
 - (a) for a consideration of such amount as would secure that neither a gain nor a loss would accrue to the person disposing of the asset, or
 - (b) for a consideration equal to the market value of the asset,
 for the purposes of this section that allowable expenditure is treated as incurred by the company at that time.
- (11) For the purposes of this section, a reference to a ship or aircraft includes a reference to the benefit of a contract—
 - (a) to which section 67 of CAA 2001 applies, and
 - (b) which relates to plant or machinery which is a ship or aircraft.
- (12) In this section—
 - “allowable expenditure” means expenditure which, immediately before the disposal, was attributable to the asset under section 38(1)(a) to (c) of TCGA 1992;
 - “interest in shares” has the same meaning as in Schedule 7AC to TCGA 1992 (see paragraph 29 of that Schedule);
 - “shares” includes stock.]

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

Textual Amendments

F1 [S. 9C](#) inserted (1.9.2013) by [Finance Act 2013 \(c. 29\)](#), [s. 66\(3\)\(4\)](#); [S.I. 2013/1815](#), [art. 2](#)

Changes to legislation:

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