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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Paragraph 12. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 7

#### LOAN RELATIONSHIPS AND DERIVATIVE CONTRACTS

##### PART 1

###### LOAN RELATIONSHIPS: AMENDMENTS OF PARTS 5 AND 6 OF CTA 2009

- 12 (1) Section 318 (change of accounting policy following cessation of loan relationship) is amended as follows.
- (2) In subsection (1), for paragraph (b) substitute—
- “(b) section 330A (company is not, or has ceased to be, party to loan relationship) applied to the cessation, and”.
- (3) For subsections (2) and (3) substitute—
- “(2) A credit or debit (as the case may be) of an amount equal to the difference must be brought into account for the purposes of this Part for the later period in the same way as a credit or debit which is brought into account in determining the company's profit or loss for that period in accordance with generally accepted accounting practice.”
- (4) In subsection (4), for “Subsections (2) and (3) do” substitute “Subsection (2) does”.
- (5) For subsection (5) substitute—
- “(5) In this section “the amount outstanding in respect of the loan relationship” means—
- (a) so much of the recognised deferred income or recognised deferred loss from the loan relationship as has not been represented by credits or debits brought into account under this Part in respect of the relationship, and
- (b) any amounts relating to the matters mentioned in section 306A(1) in respect of the loan relationship that have in accordance with generally accepted accounting practice been recognised in the company's accounts as items of other comprehensive income and not transferred to become items of profit or loss.”
- (6) After subsection (6) insert—
- “(7) In determining what amounts fall within subsection (5)(b) at the beginning or end of a period, it is to be assumed that the accounting policy applied in drawing up the company's accounts for the period was also applied in previous periods.
- (8) But if the company's accounts for the period are in accordance with generally accepted accounting practice drawn up on an assumption as to the

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accounting policy in previous periods which differs from that mentioned in subsection (7), that different assumption applies in determining what amounts fall within subsection (5)(b) at the beginning or end of the period.”

(7) In the heading, for “policy” substitute “basis”.

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