

## SCHEDULES

### SCHEDULE 5

#### NON-UK RESIDENT COMPANIES CARRYING ON UK PROPERTY BUSINESSES ETC

#### PART 3

##### COMMENCEMENT AND TRANSITIONAL PROVISIONS

###### *Transitional provisions*

- 43 (1) This paragraph applies if—
- (a) an amount representing a change in the fair value of a derivative contract is recognised in determining a company's profit or loss for a period of account beginning before the commencement date, and
  - (b) the amount would have been brought into account in calculating for the purposes of income tax the profits or losses of the company's UK property business for a tax year ending before the commencement date but for its having been treated as an amount of a capital nature.
- (2) In determining the amounts the company is to bring into account for the purposes of Part 7 of CTA 2009 for an accounting period beginning on or after the commencement date—
- (a) the derivative contract is to be treated as being one in relation to which an election has effect under regulation 6A of the Disregard Regulations, and
  - (b) if regulation 7 or 8 of those Regulations applies in relation to the derivative contract, the amount referred to in subparagraph (1) is to be treated for the purposes of regulation 10 of those Regulations as being an amount that has previously been excluded from being brought into account for the purposes of Part 7 of CTA 2009 by regulation 7 or 8 (as the case may be).
- (3) In this paragraph—
- “the Disregard Regulations” means the Loan Relationships and Derivative Contracts (Disregard and Bringing into Account of Profits and Losses) Regulations 2004 (S.I. 2004/3256);
  - “recognised” means recognised in accordance with generally accepted accounting practice.