
STATUTORY INSTRUMENTS

2005 No. 2082

The Finance Act 2002, Schedule 26, Parts
2 and 9 (Amendment No. 2) Order 2005

Amendment of Part 2 of Schedule 26 to the Finance Act 2002

- 5.—(1) Amend paragraph 4 as follows.
- (2) In sub-paragraph (2)(b)—
- (a) for “(2A) or (2B)” substitute “(2A), (2B), (2C) or (2D)”.
 - (b) in sub-paragraph (i) after “company,” insert “other than shares in relation to which section 91A or 91B of the Finance Act 1996(1) has effect,”.
- (3) In sub-paragraph (2A)—
- (a) after paragraph (a) insert “and”; and
 - (b) omit paragraph (c) and the word “and” before it.
- (4) In sub-paragraph (2B)—
- (a) at the end of paragraph (a) omit “and”;
 - (b) at the end of paragraph (b) insert—
 - “, and
 - (c) the relevant contract is not a deemed relevant contract to which the company is treated as party under section 94A(2)(b) of the Finance Act 1996(2).”.
- (5) After sub-paragraph (2B) insert—
- “(2C) The conditions specified in this sub-paragraph are—
- (a) the relevant contract is entered into or acquired—
 - (i) by a company otherwise than for the purposes of a trade carried on by it or by a company which is a mutual trading company; or
 - (ii) by a company for the purposes of its life assurance business; and
 - (b) the relevant contract is an option, quoted on a recognised stock exchange, to subscribe for shares in a company.
- (2D) The conditions specified in this sub-paragraph are—
- (a) the company that holds the relevant contract has a hedging relationship between—
 - (i) the relevant contract, and
 - (ii) an asset representing a loan relationship which is treated as mentioned in section 94A(1) of the Finance Act 1996, and
 - (b) each relevant contract to which the company is treated as party under section 94A(2)(b) in the case of that loan relationship is a derivative contract to which paragraph 45D, 45F, 45FA, 45J or 45K applies.”.

(1) Sections 91A and 91B were inserted by paragraph 10(1) and (2) of Schedule 7 to the Finance (No. 2) Act 2005 (c. 22).

(2) 1996 c. 8. Section 94A was inserted by section 52 of and paragraph 13 of Schedule 10 to the Finance Act 2004 (c. 12).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.
