
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996,
Cross Heading: Transitional for overseas sovereign debt etc.. (See end of Document for details)

SCHEDULES

SCHEDULE 15

LOAN RELATIONSHIPS: SAVINGS AND TRANSITIONAL PROVISIONS

PART I

CORPORATION TAX

Transitional for overseas sovereign debt etc.

- 17 (1) Subject to any regulations under sub-paragraph (4) below and notwithstanding anything in the preceding provisions of this Schedule, the value which for the purposes of this Chapter [^{F1}and Part 5 of the Corporation Tax Act 2009] is to be taken to be the value as at 1st April 1996 of a company's rights under any creditor relationship relating to a relevant overseas debt any part of which falls to be estimated as bad, is the following amount—
- (a) where the company was not entitled to the debt before the end of its last period of account to end before 1st April 1996, the amount for which the company acquired those rights; and
 - (b) in any other case, the amount of so much of that debt as did not fall, in accordance with section 88B of the Taxes Act 1988, to be estimated as at the end of that period to be bad.
- (2) Subject to any regulations under sub-paragraph (4) below, sub-paragraph (3) below shall apply where there is a loss incurred before 1st April 1996 to which section 88C of the Taxes Act 1988 has applied or applies by virtue of paragraph 2 above.
- (3) Where, apart from this Chapter [^{F2}and Part 5 of the Corporation Tax Act 2009] , any amount would have been allowed in respect of the loss as a deduction for any accounting period ending after 31st March 1996, that amount shall not be so allowed but shall, instead, be brought into account for the purposes of this Chapter [^{F3}and that Part] as if it were a debit given for that accounting period by paragraph 9 of Schedule 9 to this Act in respect of a loss incurred on or after 1st April 1996.
- (4) The Treasury may by regulations—
- (a) make such transitional provision as they consider appropriate for purposes connected with the coming into force of paragraphs 8 and 9 of Schedule 9 to this Act and the repeal of sections 88A to 88C of the Taxes Act 1988 (which contained corresponding provisions); and
 - (b) in connection with any such provision, make such modifications of this Schedule (including sub-paragraphs (1) to (3) above) as they consider appropriate;

and regulations made by virtue of this sub-paragraph may have retrospective effect in relation to any accounting periods ending on or after 1st April 1996.

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- (5) The Treasury shall not make any regulations under sub-paragraph (4) above unless a draft of them has been laid before and approved by a resolution of the House of Commons.
- (6) In this paragraph “relevant overseas debt” has the same meaning as in paragraphs 8 and 9 of Schedule 9 to this Act.

Textual Amendments

- F1** Words in Sch. 15 para. 17(1) inserted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 444\(12\)\(a\)](#) (with [Sch. 2 paras. 1-10, 54](#))
- F2** Words in Sch. 15 para. 17(3) inserted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 444\(12\)\(b\)\(i\)](#) (with [Sch. 2 paras. 1-10, 54](#))
- F3** Words in Sch. 15 para. 17(3) inserted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 444\(12\)\(b\)\(ii\)](#) (with [Sch. 2 paras. 1-10, 54](#))

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