

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Part 3. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 23

#### EXCHANGE GAINS AND LOSSES FROM LOAN RELATIONSHIPS ETC

#### PART 3

#### TRANSITIONAL PROVISIONS ETC

##### *Anti-avoidance: change of accounting period*

<sup>F1</sup>25 .....

##### **Textual Amendments**

**F1** Sch. 23 para. 25 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), Sch. 1 para. 541(2), **Sch. 3 Pt. 1** (with [Pts. 1, 2](#), Sch. 2 para. 57)

##### *Deferred foreign exchange gains*

- 26 (1) The repeal of sections 139 to 143 of the Finance Act 1993 (c. 34) (foreign exchange gains and losses) does not prevent the making of a claim under section 139 of that Act (deferral of unrealised gains) by a company in respect of a gain accruing in an accrual period which begins with, or at any time in, the last accounting period of the company which begins before 1st October 2002; but any such claim shall have effect subject to the following provisions of this paragraph and (subject to regulations under section 81) regulations under Chapter 2 of Part 2 of that Act.
- (2) Amounts which, but for the repeal of subsections (4) to (10) of section 140 of the Finance Act 1993, would fall to be treated by virtue of those subsections as exchange gains for an accrual period which consists of, or falls in, an accounting period beginning on or after 1st October 2002—
- (a) shall be brought into account for that accounting period as if they were credits falling for the purposes of [<sup>F2</sup>Part 5 of the Corporation Tax Act 2009] to be brought into account in respect of the company's loan relationships;
  - (b) shall be treated for the purposes of [<sup>F3</sup>that Part] as non-trading credits, to the extent that they would, but for the repeal of subsections (5), (8) and (9) of section 140 of the Finance Act 1993, have fallen to be treated by virtue of those subsections as non-trading exchange gains; and
  - (c) except as provided by paragraph (b), shall be brought into account under [<sup>F4</sup>section 297(2) of the Corporation Tax Act 2009] (trading credits).
- (3) Before the expiration of the period of 2 years following the end of its first accounting period beginning on or after 1st October 2002, a company may elect for any amounts that would otherwise fall to be brought into account for that accounting period

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in accordance with paragraph (a) of sub-paragraph (2) instead to be brought into account in accordance with that sub-paragraph, but—

- (a) over the first 6 accounting periods of the company which begin on or after 1st October 2002; and
- (b) in instalments of an equal amount for each such accounting period.

(4) If a company—

- (a) makes an election under sub-paragraph (3), but
- (b) ceases to be within the charge to corporation tax before six accounting periods of the company which begin on or after 1st October 2002 have elapsed,

any instalment under that sub-paragraph which does not fall to be brought into account for an earlier accounting period shall be brought into account for the accounting period in which the company ceases to be within the charge to corporation tax.

<sup>F5</sup>(5) .....

#### Textual Amendments

- F2** Words in Sch. 23 para. 26(2)(a) substituted (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. 541(3)(a)(i)** (with Sch. 2 Pts. 1, 2)
- F3** Words in Sch. 23 para. 26(2)(b) substituted (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. 541(3)(a)(ii)** (with Sch. 2 Pts. 1, 2)
- F4** Words in Sch. 23 para. 26(2)(c) substituted (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. 541(3)(a)(iii)** (with Sch. 2 Pts. 1, 2)
- F5** Sch. 23 para. 26(5) repealed (with effect in accordance with Sch. 11 Pt. 2(6) Note 3 of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 11 Pt. 2(6)**

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