



# Finance Act 2003

## 2003 CHAPTER 14

### PART 7

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX: GENERAL

#### *Miscellaneous*

#### <sup>F1</sup>175 Payments to adopters

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##### Textual Amendments

- F1** S. 175 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

#### <sup>F2</sup>176 Foster carers

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##### Textual Amendments

- F2** S. 176 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1](#) para. 623, [Sch. 3](#) (with [Sch. 2](#))

#### 177 Currency contracts and currency options

- (1) This section applies in any case where at any time on or after 30th September 2002—
- a qualifying company becomes party to a qualifying contract which is a currency contract or currency option, or
  - the terms of such a qualifying contract held by such a company are varied,

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and the conditions in subsection (2) are, or subsequently become, satisfied.

(2) The conditions are that—

- (a) in accordance with generally accepted accounting practice, the company in preparing its statutory accounts uses the exchange rate implied by the qualifying contract (“the accounting rate”);
- (b) there is a difference between the accounting rate and the final payment rate; and
- (c) the difference between those exchange rates is more than 1 per cent of the final payment rate.

(3) In subsection (2) “the final payment rate” means the exchange rate found by reference only to the amounts which fall or would, apart from this section and the provisions specified in subsection (4), fall to be regarded for the purposes of subsection (2) or, as the case may be, (7) of section 150 of the Finance Act 1994 (c. 9) as the amounts of the currency to be received, and the currency to be paid in exchange, under the qualifying contract as mentioned in that subsection.

(4) Where this section first applies in relation to the qualifying contract in an accounting period of the company which begins before 1st October 2002 (“the relevant contract period”), the following provisions of the Finance Act 2002 (c. 23), namely—

- (a) section 79(1)(b) (repeal of forex),
- (b) section 80 and Schedule 24 (corporation tax: currency), and
- (c) section 83 and Schedules 26 and 27 (derivative contracts),

shall be taken to have effect in the case of the company, so far as relating to that contract, in relation to that accounting period and any subsequent accounting periods.

[<sup>F3</sup>(4A) In relation to a subsequent accounting period ending on or after 1 April 2009, the reference in subsection (4)(c) to Schedule 26 is to be read as a reference to Part 7 of the Corporation Tax Act 2009.]

(5) Where—

- (a) the qualifying contract is a currency contract which arises from the exercise of a currency option which is or was itself a qualifying contract (or a series of such currency options), and
- (b) that currency option was entered into or varied on or after 30th September 2002 (or, in the case of a series of currency options, any of them was entered into or varied on or after that date),

the provisions specified in subsection (4) shall be taken to have effect in the case of the company, so far as relating to the currency option (or, in the case of a series of currency options, each of the options entered into or varied on or after 30th September 2002), in relation to the earliest accounting period (“the relevant options period”) in which the option (or any of the options) was so entered into or varied and any subsequent accounting periods.

(6) Where the provisions specified in subsection (4) have effect by virtue of this section in relation to a currency contract or currency option the following provisions of the Finance Act 2002, namely—

- (a) section 81 (transitional provision), so far as relating to section 80 and Schedule 24, and
- (b) Schedule 28 (derivative contracts: transitional provisions etc),

shall have effect accordingly.

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- (7) In the application of Schedule 28 to the Finance Act 2002 by virtue of this section, any reference to the company’s commencement day is to be taken—
- (a) in the case of a currency contract, as a reference to the first day of the relevant contract period; or
  - (b) in the case of a currency option, as a reference to the first day of the relevant options period.
- (8) This section does not apply in relation to any contract entered into or varied in an accounting period beginning on or after 1st October 2002 unless the contract arises from the exercise of a currency option which was entered into or varied on or after 30th September 2002 and in an accounting period beginning on or before that date.
- (9) In this section the following expressions, namely—
- (a) qualifying company,
  - (b) qualifying contract,
  - (c) currency contract,
  - (d) currency option,
- have the same meaning as in Chapter 2 of Part 4 of the Finance Act 1994 (c. 9), (disregarding for this purpose the provisions specified in subsection (4)) and references to the exercise of an option shall be construed accordingly.
- (10) In this section “statutory accounts” has the meaning given by paragraph 52 of Schedule 26 to the Finance Act 2002 (c. 23).
- (11) This section shall be deemed to have come into force on 30th September 2002.

**Textual Amendments**

**F3** S. 177(4A) 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. 564** (with Sch. 2 Pts. 1, 2)

**<sup>F4</sup>178 Loan relationships: amendments**

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**Textual Amendments**

**F4** S. 178 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

**<sup>F5</sup>179 Derivative contracts: transactions within groups**

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**Textual Amendments**

**F5** S. 179 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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## 180 Contributions to urban regeneration companies

<sup>F6</sup>(1) .....

- (2) In section 828(4) of the Taxes Act 1988 (orders or regulations under specified provisions not to be subject to Commons negative resolution parliamentary procedure) after “section 1(6),” insert “ 79B(5), ”.

### Textual Amendments

- F6** S. 180(1) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

## 181 Repos etc

Schedule 38 to this Act (which contains amendments relating to arrangements for the sale and repurchase of securities etc) has effect.

## 182 Relevant discounted securities: withdrawal of relief for costs and losses, etc

Schedule 39 to this Act (relevant discounted securities: withdrawal of relief for costs and losses, and extension of definition of “strip”) has effect.

## <sup>F7</sup>183 Court common investment funds

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### Textual Amendments

- F7** S. 183 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

## <sup>F8</sup>184 Intangible fixed assets: tax avoidance arrangements and related parties

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### Textual Amendments

- F8** S. 184 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

**Changes to legislation:**

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**Changes and effects yet to be applied to :**

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)