

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Loan Relationships

Overview

Chapter 9: Partnerships involving companies

Overview

Section 384: Treatment of exchange gains and losses

1183. This section disapplies, in certain circumstances, the rule on exchange gains and losses in section 328 which disallows a credit or debit on an exchange gain or loss which is taken directly to a company's reserves. It is based on paragraph 19(12) of Schedule 9 to FA 1996. Only where the exchange gain or loss by-passes the partnership's profit and loss account will that section apply.
1184. The words "subsection (3) of section 84A of this Act does not apply except to the extent that exchange gains and losses are recognised" in paragraph 19(12) of Schedule 9 to FA 1996 are rewritten to clarify the meaning that the section rewriting section 84A(3) applies *so far* as the exchange gains and losses' are recognised rather than the possible meaning that the section applies only *if* they are recognised.
1185. *Subsection (2)* updates the references in paragraph 19(12) of Schedule 9 to FA 1996 to a company's statement of income and gains, etc in line with current accountancy practice.
1186. Part 2(6) of Schedule 11 to F(No 2)A 2005 repeals paragraph 19(12) of Schedule 9 to FA 1996 with effect from a day to be appointed. This section, which rewrites that subparagraph, will therefore cease to have effect from an appointed day (see Part 8 (loan relationships) of Schedule 2 to this Act).