

*Status: Point in time view as at 17/07/2013.*

*Changes to legislation: Corporation Tax Act 2009, Paragraph 82 is up to date with all changes known to be in force on or before 17 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 2

#### TRANSITIONALS AND SAVINGS

#### PART 10

##### DERIVATIVE CONTRACTS

###### *Existing assets representing creditor relationships: options*

- 82 (1) This paragraph applies if section 645 would apply to a derivative contract of a company for an accounting period but for the fact that the asset representing the creditor relationship is an asset in relation to which paragraph 9(2) of Schedule 10 to FA 2004 has effect.
- (2) Section 574 (non-trading credits and debits to be brought into account under Part 5) does not apply to the credits and debits which are given in relation to the derivative contract for the accounting period by section 595.
- (3) The asset representing the creditor relationship is treated for corporation tax purposes as not being a qualifying corporate bond.
- (4) For the purposes of corporation tax on chargeable gains, the amount or value of the consideration for any disposal by the company of the asset representing the creditor relationship is reduced by so much of that amount or value as, on a just and reasonable apportionment, relates to interest within sub-paragraph (5).
- (5) Interest is within this sub-paragraph if—
- (a) it falls to be brought into account under Part 5 of this Act (loan relationships) as accruing to any company at any time, and
  - (b) in consequence of, or of the terms of, the disposal, it is not paid or payable to the company to which it is treated for the purposes of that Part as accruing.
- (6) For the purposes of corporation tax on chargeable gains, the amount or value of the consideration for any disposal by the company of the asset mentioned in sub-paragraph (4)—
- (a) is increased by the addition of any relevant exchange losses, and
  - (b) is (after giving effect to any such increase) reduced (but not below nil) by the deduction of any relevant exchange gains.
- (7) If the amount of the relevant exchange gains falling to be deducted under sub-paragraph (6)(b) exceeds the amount required to reduce the amount or value of the consideration to nil, the excess is treated for the purposes of section 38(1)(c) of TCGA 1992 as incidental costs of the disposal of the asset mentioned in sub-paragraph (4).

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