



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 7

#### DERIVATIVE CONTRACTS

#### CHAPTER 3

##### CREDITS AND DEBITS TO BE BROUGHT INTO ACCOUNT: GENERAL

*[<sup>F1</sup>Miscellaneous]*

#### **608 Company ceasing to be party to derivative contract**

- (1) This section applies if—
- (a) a company ceases to be a party to a derivative contract in an accounting period (the “cessation period”),
  - (b) profits or losses arise to the company from the derivative contract or a related transaction in that period, and
  - (c) the credits or debits brought into account in accordance with this Part for that period do not include credits or debits representing the whole of those profits or losses.
- (2) Credits or debits in respect of so much of those profits or losses as are not represented by credits or debits brought into account for the cessation period must continue to be brought into account in accordance with this Part over one or more subsequent accounting periods (“post-cessation periods”) as in the case of a derivative contract to which the company is a party in those periods.
- (3) Subsection (4) applies if any question arises how far in a post-cessation period—
- (a) the company is a party to the derivative contract for the purposes of a trade it carries on, or

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*Status: Point in time view as at 17/07/2013. This version of this provision has been superseded.*

*Changes to legislation: Corporation Tax Act 2009, Section 608 is up to date with all changes known to be in force on or before 15 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)*

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- (b) the derivative contract is referable to a particular business the company carries on or a particular description of such business.
- (4) The question is to be determined by reference to the circumstances immediately before the company ceased to be a party to the derivative contract, instead of the circumstances in the post-cessation period.
- (5) Subsection (6) applies if any question arises—
- (a) how far the derivative contract has a particular purpose in a post-cessation period, or
  - (b) whether there is a connection between the company and any other person for a post-cessation period.
- (6) The question is to be determined by reference to the circumstances in the cessation period, instead of the circumstances in the post-cessation period.
- (7) For the purposes of the Corporation Tax Acts, references to a person's derivative contracts and to a person being a party to a derivative contract are to be read in accordance with this section.

**Status:**

Point in time view as at 17/07/2013. This version of this provision has been superseded.

**Changes to legislation:**

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