



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

[^{F1}PART 6A

HYBRID AND OTHER MISMATCHES

CHAPTER 14

INTERPRETATION

Financial instruments

[^{F1}259N Meaning of “financial instrument”

- (1) A “financial instrument” means—
- (a) an arrangement profits or deficits arising from which would, on the assumption that the person to whom they arise is within the charge to corporation tax, fall to be brought into account for corporation tax purposes in accordance with Part 5 or 6 of CTA 2009 (loan relationships and relationships treated as loan relationships),
 - (b) a contract profits or losses arising from which would, on the assumption that the person to whom they arise is within the charge to corporation tax, fall to be brought into account for corporation tax purposes in accordance with Part 7 of CTA 2009 (derivative contracts),
 - (c) a type 1, type 2 or type 3 finance arrangement for the purposes of Chapter 2 of Part 16 of CTA 2010 (factoring of income etc: finance arrangements),
 - (d) a share forming part of a company's issued share capital or any arrangement that provides a person with economic rights corresponding to those provided by holding such a share, or
 - (e) anything else that is a financial instrument.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 259N. (See end of Document for details)

(2) In subsection (1)(e) “financial instrument” has the meaning that it has for the purposes of UK generally accepted accounting practice.

(3) But “financial instrument” does not include—

(a) a hybrid transfer arrangement (within the meaning given by section 259DB),
or

[^{F2}(b) anything of a description specified in regulations made by the Treasury.]

^{F3}(4)]

Textual Amendments

- F1** Pt. 6A inserted (with effect in accordance with Sch. 10 paras. 18-21 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 10 para. 1](#)
- F2** S. 259N(3)(b) substituted (with effect in accordance with s. 19(8)(9) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [s. 19\(4\)\(a\)](#)
- F3** S. 259N(4) omitted (with effect in accordance with s. 19(8)(9) of the amending Act) by virtue of [Finance Act 2019 \(c. 1\)](#), [s. 19\(4\)\(b\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 259N.