



Finance Act 2012

2012 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 5

MISCELLANEOUS

Other provisions

54 Changes of accounting policy

- (1) In section 227 of ITTOIA 2005 (adjustment on change of accounting basis: income tax)—
- (a) in subsection (3)(a) for “relevant change of accounting approach” substitute “change of accounting policy”, and
 - (b) for subsection (4) substitute—
 - “(4) A “change of accounting policy” includes, in particular—
 - (a) a change from using UK generally accepted accounting practice to using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards, and
 - (b) a change from using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards to using UK generally accepted accounting practice.”
- (2) In section 180 of CTA 2009 (adjustment on change of accounting basis: corporation tax)—

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2012, Section 54. (See end of Document for details)*

- (a) in subsection (3)(a) for “relevant change of accounting approach” substitute “change of accounting policy”, and
 - (b) for subsection (4) substitute—
 - “(4) A “change of accounting policy” includes, in particular—
 - (a) a change from using UK generally accepted accounting practice to using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards, and
 - (b) a change from using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards to using UK generally accepted accounting practice.”
- (3) Corresponding amendments are to be treated as having been made in section 64 of FA 2002.
- (4) In consequence of the amendment made by subsection (1)(b), omit paragraph 2 of Schedule 6 to F(No.2)A 2005.
- (5) The amendments made by this section have effect in relation to a change of basis if the new basis—
 - (a) is adopted for a period of account which begins on or after 1 January 2012, or
 - (b) is adopted for a period of account which begins before 1 January 2012 and the adoption is in consequence of the issue, revocation, amendment or recognition of, or withdrawal of recognition from, an accounting standard by an accounting body on or after 1 January 2012.
- (6) In this section—
 - “accounting body” means the International Accounting Standards Board, the Accounting Standards Board, or a successor body to either of those Boards;
 - “accounting standard” includes any statement of practice, guidance or other similar document.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2012, Section 54.