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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Paragraph 119. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 7

#### LOAN RELATIONSHIPS AND DERIVATIVE CONTRACTS

#### PART 6

#### COMMENCEMENT AND TRANSITIONAL PROVISIONS

##### *Transitional adjustments relating to loan relationships*

- 119 (1) This paragraph applies if—
- (a) an overall transitional adjustment is required by paragraph 115 in respect of a loan relationship of a company, and
  - (b) before the end of the 5 years mentioned in paragraph 116(3), the company—
    - (i) ceases to be within the charge to corporation tax, or
    - (ii) starts to be wound up.
- (2) The company must bring into account for the purposes of Part 5 of CTA 2009 in the accounting period ending with the event within sub-paragraph (1)(b) a credit or debit of an amount equal to so much of the overall transitional adjustment as has not previously been brought into account.
- (3) For the purposes of this paragraph a company starts to be wound up—
- (a) when the company passes a resolution for the winding up of the company,
  - (b) when a petition for the winding up of the company is presented, if the company has not already passed such a resolution and a winding up order is made on the petition, or
  - (c) when an act is done in relation to the company for a similar purpose, if the winding up is not under the Insolvency Act 1986.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Paragraph 119.