
STATUTORY INSTRUMENTS

2004 No. 3256

**The Loan Relationships and Derivative
Contracts (Disregard and Bringing into Account
of Profits and Losses) Regulations 2004**

Exchange gains or losses arising from derivative contracts hedging shares etc.

4.—(1) For the purposes of paragraph 16(3A) and 17C(1)(a) of Schedule 26 to the Finance Act 2002 there is prescribed an exchange gain or loss arising to a company in an accounting period in relation to a derivative contract of the company which is matched with the whole or part of any shares, ships or aircraft.

(2) This regulation does not apply if movements in the fair value of any shares, ships or aircraft which are an asset falling within regulation 4(1) are brought into account by the company in computing, for the purposes of corporation tax, the profits of a trade carried on by it which consists of or includes dealing in shares, ships or aircraft.

(3) Shares, ships or aircraft are matched with a derivative contract if any of the following conditions are satisfied.