
STATUTORY INSTRUMENTS

2005 No. 3374

**The Loan Relationships and Derivative Contracts
(Disregard and Bringing into Account of Profits
and Losses) (Amendment No. 2) Regulations 2005**

Amendment to the Loan Relationships and Derivative Contracts (Disregard and Bringing into Account of Profits and Losses) Regulations 2004

6. After regulation 4 insert—

“Relevant value

4A.—(1) For the purposes of regulations 3(7) and 4(5), “relevant value” means—

- (a) the value determined on the basis of accounting used in the prior accounting period in the case specified in paragraph (2), and
- (b) the value shown in the accounts of the company in any other case.

(2) The case specified is where—

- (a) an asset is matched in accordance with regulation 3(3)(b) or 4(3)(b);
- (b) in the prior accounting period the exchange gains or losses in relation to that asset were taken to a reserve and set off there against exchange gains or losses in relation to the liability or derivative contract with which the asset is matched; and
- (c) the value of the asset shown in the company’s accounts was, in accordance with generally accepted accounting practice, determined—

- (i) on an historic cost basis of accounting in the first accounting period beginning on or after 1st January 2005, and
- (ii) on a different basis of accounting in the prior accounting period.

(3) In this regulation the “prior accounting period” means the accounting period of the company immediately preceding its first accounting period beginning on or after 1st January 2005.”.