
STATUTORY INSTRUMENTS

2006 No. 3236

**The Loan Relationships and Derivative Contracts
(Disregard and Bringing into Account of Profits
and Losses) (Amendment) Regulations 2006**

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

5.—(1) Amend regulation 9A(1) as follows.

(2) In paragraph (1)—

(a) for “an interest rate contract” substitute “a currency contract, a commodity contract, a debt contract or an interest rate contract (as the case may be)”, and

(b) in subparagraph (c) for “6(5)” substitute “6(3A), 6(5) or 6(5B) (as the case may be)”.

(3) In paragraph (2)(b) at the end insert “where the profit or loss for corporation tax purposes in relation to that asset or liability will not fall to be computed in accordance with generally accepted accounting practice”.

(4) In paragraph (3) after “(2)(a)” insert “or (b)”.

(5) After paragraph (3) insert—

“(3A) Where—

(a) amounts in respect of a currency contract, a commodity contract or a debt contract are brought into account differently as a result of an election under regulation 6(3A), or

(b) an interest rate contract ceases to be a contract to which regulation 9 applies as a result of an election under regulation 6(5B),

the amount to be brought into account for the purposes of paragraph 17C(1)(b) of Schedule 26 to the Finance Act 2002 is such amount as is just and reasonable in the circumstances and with regard to whether as a result of the change any amounts cease to be brought into account or are brought into account more than once, and that amount shall be brought into account on the first day of the first accounting period beginning on or after 1st January 2006.”.