
STATUTORY INSTRUMENTS

2011 No. 2912

**The Loan Relationships and Derivative Contracts
(Disregard and Bringing into Account of Profits
and Losses) (Amendment No. 2) Regulations 2011**

Amendment of regulation 4 (exchange gains or losses arising from derivative contracts hedging shares etc)

5.—(1) In regulation 4 (exchange gains or losses arising from derivative contracts hedging shares etc), after paragraph (1) insert—

“(1A) But where the matched shares, ships or aircraft are matched after the company became party to the derivative contract, paragraph (1) only applies to a just and reasonable proportion of any exchange gain or loss having regard to—

- (a) the fraction of the accounting period for which the shares, ships or aircraft are matched with the derivative contract,
- (b) the fraction of the accounting period for which the company was party to the derivative contract, and
- (c) fluctuations in exchange rates during the period.”.

(2) In paragraph (3), in condition 1 omit “for the accounting period.”.