
STATUTORY INSTRUMENTS

2015 No. 1961

**The Loan Relationships and Derivative Contracts
(Disregard and Bringing into Account of Profits
and Losses) (Amendment) Regulations 2015**

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

6. For regulation 6B (effect of elections on transfers within groups)(1) substitute—

“Effect of elections on group member replacing another as party to derivative contract: regulations 7 and 8

6B.—(1) This regulation applies if—

- (a) one company replaces another as party to a derivative contract in relation to which regulation 7 or 8 applies, in circumstances in which section 625 of CTA 2009 applies or would apply but for section 628 of that Act,
- (b) the transferee (within the meaning of section 625 of CTA 2009) meets the conditions in regulation 7(1)(a)(i) and (ii) or 8(1)(a)(i) and (ii), as the case may be, in relation to the contract, and
- (c) the hedged item in relation to the derivative contract remains the same before and after the change of party.

(2) Where this regulation applies—

- (a) section 628 applies (and accordingly section 625 does not apply),
- (b) regulation 7 or 8, as the case may be, applies in respect of the contract in relation to the transferee, and
- (c) regulation 10(9) applies.

Effect of elections on transfers within groups: regulation 9

6C.—(1) This regulation applies if—

- (a) one company replaces another as party to a derivative contract in relation to which regulation 9 applies, in circumstances in which section 625 of CTA 2009 applies or would apply but for section 628 of that Act,
- (b) the transferee (within the meaning of section 625 of CTA 2009) meets the conditions in regulation 9(1)(a) and (b) in relation to the contract, and
- (c) the hedged item in relation to the derivative contract is the same before and after the change of party.

(2) Where this regulation applies—

- (a) section 628 does not apply (and accordingly section 625 applies),

- (b) regulation 9 applies for the purposes of determining the carrying value of the contract for the purposes of section 702 of CTA 2009 as that regulation applies for the purposes of determining the debits and credits to be brought into account under Part 7 of that Act, and
- (c) regulation 9 applies in respect of the contract in relation to the transferee.

Transfers within groups where no election under regulation 6A

6D.—(1) This regulation applies if—

- (a) one company replaces another as party to a derivative contract in relation to which no election under regulation 6A has effect in circumstances in which section 625 of CTA 2009 applies or would apply but for section 628 of that Act,
- (b) the transferee (within the meaning of section 625 of CTA 2009) meets the conditions in regulation 7(1)(a)(i) and (ii), 8(1)(a)(i) and (ii) or 9(1)(a) and (b), as the case may be, in relation to the contract, and
- (c) the hedged item in relation to the derivative contract is the same before and after the change of party.

(2) Where this regulation applies, any election made by the transferee under regulation 6A has no effect in relation to the contract.”