

1 Trade and property business profits: money's worth

- (1) ITTOIA 2005 is amended in accordance with subsections (2) and (3).
- (2) In Chapter 3 of Part 2 (trade profits: basic rules), after section 28 insert—

“28A Money's worth

- (1) Subsection (2) applies—
 - (a) for the purpose of bringing into account an amount arising in respect of a transaction involving money's worth entered into in the course of a trade, and
 - (b) if an amount at least equal to the amount that would be brought into account under that subsection is not otherwise brought into account as a receipt in calculating the profits of a trade under a provision of this Part other than a provision mentioned in subsection (3).
 - (2) For the purpose of calculating the profits of the trade, an amount equal to the value of the money's worth is brought into account as a receipt if, had the transaction involved money, an amount would have been brought into account as a receipt in respect of it.
 - (3) But where another provision of this Part makes express provision for the bringing into account of an amount in respect of money's worth as a receipt in calculating the profits of a trade (however expressed), that other provision applies instead of subsection (2).”
- (3) In Chapter 3 of Part 3 (profits of property businesses), in section 272 (application of trading income rules), in the Table in subsection (2), at the appropriate place insert—

“section 28A money's worth”.

- (4) CTA 2009 is amended in accordance with subsections (5) and (6).
- (5) In Chapter 3 of Part 3 (trade profits: basic rules), after section 49 insert—

“49A Money's worth

- (1) Subsection (2) applies—
 - (a) for the purpose of bringing into account an amount arising in respect of a transaction involving money's worth entered into in the course of a trade, and
 - (b) if an amount at least equal to the amount that would be brought into account under that subsection is not otherwise brought into account as a receipt in calculating the profits of a trade under a provision of this Part other than a provision mentioned in subsection (3).
- (2) For the purpose of calculating the profits of the trade, an amount equal to the value of the money's worth is brought into account as a receipt if, had the transaction involved money, an amount would have been brought into account as a receipt in respect of it.
- (3) But where another provision of this Part makes express provision for the bringing into account of an amount in respect of money's worth as

a receipt in calculating the profits of a trade (however expressed), that other provision applies instead of subsection (2).”

- (6) In Chapter 3 of Part 4 (profits of property businesses), in section 210 (application of trading income rules), in the Table in subsection (2), at the appropriate place insert –

“section 49A money’s worth”.

- (7) The amendments made by this section have effect in relation to transactions entered into on or after 16 March 2016.