

2015 No.

CORPORATION TAX

**The Loan Relationships and Derivative Contracts (Exchange
Gains and Losses using Fair Value Accounting) (Amendment)
Regulations 2015**

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| <i>Made</i> | - - - - | *** |
| <i>Laid before the House of Commons</i> | | *** |
| <i>Coming into force</i> | - - | *** |

The Treasury make the following Regulations in exercise of the powers conferred by sections 475(3) and 705(3) of the Corporation Tax Act 2009(a).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Loan Relationships and Derivative Contracts (Exchange Gains and Losses using Fair Value Accounting) (Amendment) Regulations 2015 and come into force on *** 2015.

(2) These Regulations have effect in relation to accounting periods beginning on or after 1 January 2016.

Amendments to the Loan Relationships and Derivative Contracts (Exchange Gains and Losses using Fair Value Accounting) Regulations 2005

2.—(1) The Loan Relationships and Derivative Contracts (Exchange Gains and Losses using Fair Value Accounting) Regulations 2005(b) are amended as follows.

(2) For regulation 2 substitute—

“Interpretation

2. In these Regulations—

“CTA 2009” means the Corporation Tax Act 2009;

“CTA 2010” means the Corporation Tax Act 2010(c);

“derivative contract” has the same meaning as in Part 7 of CTA 2009;

“generally accepted accounting practice” has the meaning given in section 1127 of CTA 2010;

“loan relationship” has the same meaning as in section 302 CTA 2009;

(a) 2009 c. 4.
(b) S.I. 2005/3422.
(c) 2010 c. 4.

“available-for-sale”, “carrying value”, “designated”, “fair value”, “fair value hedge” and “fair value through other comprehensive income” have the same meanings as they have for accounting purposes.”

(3) In regulation 3, for “sections 92 to 92E of the Finance Act 1993” substitute “Chapter 4 of Part 2 of CTA 2010”.

(4) In regulation 5—

(a) In paragraph (1)—

- (i) in sub-paragraph (a), for “accounted for” substitute “measured”,
- (ii) in sub-paragraph (b), for the words from “and” to the end substitute “and the carrying value of the hedged item is adjusted for changes in fair value attributable to the hedged risk”,

(b) in paragraph (2)(a), for “profit and loss account or income statement” substitute “accounts”.

(5) In regulation 6, after “available-for-sale” insert “or fair value through other comprehensive income”.

(6) In regulation 7(2)(a), for “profit and loss account or income statement” substitute “accounts”.

(7) In regulation 9(5), for the words from “section” to the end substitute “sections 308(1) and 597(1) of CTA 2009”.

Name

Name

Date

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Loan Relationships and Derivative Contracts (Exchange Gains and Losses Using Fair Value Accounting) Regulations 2005 which set out the calculations for exchange gain and loss in loan relationships and derivative contracts where the assets and liabilities involved are accounted for using fair value accounting.

These regulations update statutory references and substitutes a new definition of “fair value accounting”.

[A Tax Information and Impact Note covering this instrument ...]