



Finance Act 1994

1994 CHAPTER 9

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

INTEREST RATE AND CURRENCY CONTRACTS

Supplemental

177 Interpretation of Chapter II.

(1) In this Chapter—

“appointed day” has the meaning given by section 147(4) above;

“bank” means any of the following—

- (a) the Bank of England;
- (b) any institution authorised under the ^{M1}Banking Act 1987; and
- (c) a European authorised institution which has lawfully established a branch in the United Kingdom for the purpose of accepting deposits;

“commencement day” has the meaning given by section 147(4) above;

“currency contract” and “currency option” shall be construed in accordance with section 150 above;

“deposit” has the same meaning as in the ^{M2}Banking Act 1987;

“European authorised institution” has the same meaning as in the ^{M3}Banking Coordination (Second Council Directive) Regulations 1992;

“financial trader” means any of the following—

- (a) an authorised person under Chapter III of Part I of the ^{M4}Financial Services Act 1986;
- (b) an exempted person under section 43 of that Act;

Status: Point in time view as at 03/05/1994. This version of this provision has been superseded.

Changes to legislation: Finance Act 1994, Section 177 is up to date with all changes known to be in force on or before 10 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (c) a European authorised institution which has lawfully established a branch in the United Kingdom for the purpose of carrying on investment business; and
 - (d) any person not falling within paragraphs (a) to (c) above who is approved by the Board for the purposes of this paragraph;
 - “inspector” includes any officer of the Board;
 - “insurance company” means a company to which Part II of the ^{M5}Insurance Companies Act 1982 applies;
 - “interest rate contract” and “interest rate option” shall be construed in accordance with section 149 above;
 - “investment business” has the same meaning as in the ^{M6}Financial Services Act 1986;
 - “mutual trading company” means a company carrying on any business of mutual trading or mutual insurance or other mutual business;
 - “qualifying company” has the meaning given by section 154 above;
 - “qualifying contract” has the meaning given by section 147(1) above;
 - “qualifying payment” shall be construed in accordance with section 153 above.
- (2) For the purposes of this Chapter—
- (a) a company becomes entitled to rights or subject to duties under an interest rate contract or option, or a currency contract or option, when it becomes party to the contract or option; and
 - (b) a company holds such a contract or option at a particular time if it is then entitled to rights or subject to duties under it;
- and it is immaterial for the purposes of paragraph (b) above when the rights or duties fall to be exercised or performed.
- (3) Any provision of this Chapter other than section 167 above which requires any amount (the relevant amount) to be deducted from amount A or, as the case may require, added to amount B shall be construed as requiring the following deductions or additions to be made—
- (a) where amount A is not less than the relevant amount, a deduction from amount A of an amount equal to the relevant amount;
 - (b) where amount A is less than the relevant amount but is more than nil—
 - (i) a deduction from amount A of an amount equal to so much of the relevant amount as may be necessary to reduce amount A to nil, and
 - (ii) an addition to amount B of an amount equal to the remainder of the relevant amount;
 - (c) where amount A is nil, an addition to amount B of an amount equal to the relevant amount.
- (4) Subsection (3) above shall be read as applying equally to any such provision which requires any amount to be deducted from amount B or, as the case may be, added to amount A, and for that purpose shall have effect with such modifications as may be requisite.
- (5) In this Chapter expressions which are not defined or otherwise explained but are used in Chapter II of Part II of the ^{M7}Finance Act 1993 (exchange gains and losses) have the same meanings as in that Chapter.

Status: Point in time view as at 03/05/1994. This version of this provision has been superseded.

Changes to legislation: Finance Act 1994, Section 177 is up to date with all changes known to be in force on or before 10 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (6) The Treasury may by order amend any of sections 149 to 153 above; and any such order may—
- (a) make corresponding amendments to section 126 of the ^{M8}Finance Act 1993;
 - (b) make consequential amendments to such of the provisions of this Chapter or Chapter II of Part II of that Act as relate to currency contracts; and
 - (c) contain such other consequential provisions, and such supplementary, incidental or transitional provisions, as appear to the Treasury to be necessary or expedient.

Marginal Citations

- M1** 1987 c. 22.
M2 1987 c. 22.
M3 S.I. 1992/3218.
M4 1986 c. 60.
M5 1982 c.50.
M6 1986 c. 60.
M7 1993 c.34.
M8 1993 c.34.

Status:

Point in time view as at 03/05/1994. This version of this provision has been superseded.

Changes to legislation:

Finance Act 1994, Section 177 is up to date with all changes known to be in force on or before 10 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.