

Status: Point in time view as at 22/07/2004.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Imported losses etc.. (See end of Document for details)

SCHEDULES

SCHEDULE 9

LOAN RELATIONSHIPS: SPECIAL COMPUTATIONAL PROVISIONS

Imported losses etc.

- 10 [F1(1) This paragraph applies in the case of a company (“the chargeable company”) for an accounting period (“the loss period”) where—
- (a) there is a loss arising in connection with a loan relationship of the company which apart from this paragraph would fall to be brought into account for the purposes of this Chapter, and
 - (b) that loss is referable in whole or in part to a time when the relationship was not subject to United Kingdom taxation.

This paragraph does not apply where fair value accounting is used.]

- (2) The amounts brought into account for the purposes of this Chapter in the loss period shall be such as to secure that no part of the loss that is referable to a time when the relationship was not subject to United Kingdom taxation shall be treated for the purposes of this Chapter as arising in the loss period or any other accounting period of the chargeable company.
- (3) For the purposes of this paragraph a loss is referable to a time when a relationship is not subject to United Kingdom taxation to the extent that, at the time to which the loss is referable, the chargeable company would not have been chargeable to tax in the United Kingdom on any profits or gains arising from the relationship.
- (4) Sub-paragraph (3) above shall have effect where the chargeable company was not a party to the relationship at the time to which the loss is referable as if the reference to that company were a reference to the person who at that time was in the same position as respects the relationship as is subsequently held by the chargeable company.
- [F2(5) Amounts which, by virtue of this paragraph, are not brought into account for the purposes of this Chapter as respects any matter are in consequence also amounts which, in accordance with section 80(5) of this Act, are not to be brought into account for the purposes of corporation tax as respects that matter apart from this Chapter.]

Textual Amendments

- F1** Sch. 9 para. 10(1) substituted (with effect in accordance with s. 52(3) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 10 para. 28](#)
- F2** Sch. 9 para. 10(5) inserted (24.7.2002 with effect as mentioned in s. 82(2) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s. 82(1), [Sch. 25 Pt. 1 para. 28](#)

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