

*Status: Point in time view as at 21/07/2008. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 2. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 26

#### DERIVATIVE CONTRACTS

##### Modifications etc. (not altering text)

- C1 Sch. 26 modified by 1996 c. 8, s. 86(3C) (as inserted (24.7.2002 with effect as mentioned in s. 82(2) of the amending Act) by 2002 c. 23, s. 82, Sch. 25 Pt. 1 para. 6(3))
- C1 Sch. 26 modified by 1996 c. 8, s. 94A (as inserted (with effect in accordance with s. 52(3) of the amending Act) by Finance Act 2004 (c. 12), Sch. 10 para. 13)
- C1 Sch. 26 applied by 1988 c. 1, s. 440(2B) (as amended (with effect in accordance with s. 52(3) of the amending Act) by Finance Act 2004 (c. 12), Sch. 10 para. 70)
- C1 Sch. 26 applied (with modifications) (5.10.2004) by Energy Act 2004 (c. 20), s. 198(2), Sch. 9 para. 12 (with s. 38(2)); S.I. 2004/2575, art. 2(1), Sch. 1
- C1 Sch. 26 applied (with modifications) (5.10.2004) by Energy Act 2004 (c. 20), s. 198(2), Sch. 9 para. 24 (with s. 38(2)); S.I. 2004/2575, art. 2(1), Sch. 1
- C1 Sch. 26 modified (8.6.2005) by Railways Act 2005 (c. 14), s. 60(2), Sch. 10 para. 7; S.I. 2005/1444, art. 2(1), Sch. 1
- C1 Sch. 26 modified (8.6.2005) by Railways Act 2005 (c. 14), s. 60(2), Sch. 10 para. 19; S.I. 2005/1444, art. 2(1), Sch. 1
- C1 Sch. 26 modified (19.7.2006) by Finance Act 2006 (c. 25), s. 136(2)(e)
- C1 Sch. 26 extended (retrospective to 30.9.2002) by Finance Act 2003 (c. 14), s. 177(4)(8)(11)

#### PART 2

#### DERIVATIVE CONTRACTS

##### *Derivative contracts and relevant contracts*

- 2 [F1(1) For the purposes of the Corporation Tax Acts, a company's derivative contracts are those of its relevant contracts—
- (a) which satisfy any of the conditions in paragraphs (a) to (c) of paragraph 3(1), and
  - (b) which are not prevented from being derivative contracts by paragraph 4 or any other provision of the Corporation Tax Acts.]
- (2) For the purposes of this Schedule a “relevant contract” is—
- (a) an option,
  - (b) a future, or
  - (c) a contract for differences.
- [F2(2A) For provisions which treat a company as being party to a relevant contract see—
- (a) section 94A of the Finance Act 1996 (loan contracts with embedded derivatives);

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- (b) paragraph 2A below (non-financial contracts with embedded derivatives);
- (c) paragraph 2B below (hybrid derivatives).

(2B) In this Schedule “plain vanilla contract” means a relevant contract other than one to which a company is treated as being party by virtue of a provision mentioned in sub-paragraph (2A).]

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**Textual Amendments**

- F1** Sch. 26 para. 2(1) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Finance Act 2002, Schedule 26, Parts 2 and 9 \(Amendment\) Order 2004 \(S.I. 2004/2201\)](#), arts. 1(1), **3**
- F2** Sch. 26 para. 2(2A)(2B) substituted for Sch. 26(3)-(5) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Finance Act 2002, Schedule 26, \(Parts 2 and 9\) \(Amendment\) Order 2006 \(S.I. 2006/3269\)](#), arts. 1, **3**

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