



# Finance Act 2002

## 2002 CHAPTER 23

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 2

#### OTHER PROVISIONS

#### *Loan relationships*

#### **78 Guaranteed returns on transactions involving futures and options**

(1) Schedule 5AA to the Taxes Act 1988 (guaranteed returns on transactions in futures and options) is amended as follows.

(2) In paragraph 2 (transactions to which Schedule applies) at the end insert—

“(3) This Schedule also applies to a transaction if it is one of the disposals of futures or options to which section 93A of the Finance Act 1996 (loan relationships linked to the value of chargeable assets designed to produce guaranteed returns when taken together with disposals of options and futures) refers.”.

(3) In paragraph 4 (meaning of disposals of futures or options) after sub-paragraph (4) insert—

“(4A) Where this paragraph has effect in relation to one of the associated transactions to which section 93A of the Finance Act 1996 refers, sub-paragraph (4) shall have effect as if for paragraph (a) of that sub-paragraph there were substituted—

“(a) any one of the associated transactions to which section 93A of the Finance Act 1996 refers is the grant of an option.”.

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*Status: This is the original version (as it was originally enacted).*

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- (4) In paragraph 4A (futures running to delivery and options exercised) after sub-paragraph (10) insert—
- “(10A) Where this paragraph has effect in relation to one of the associated transactions to which section 93A of the Finance Act 1996 refers—
- (a) sub-paragraph (1)(a) shall have effect as if for “two or more related transactions” there were substituted “two or more of the associated transactions to which section 93A of the Finance Act 1996 refers”, and
- (b) sub-paragraph (1)(c) shall have effect as if for “the other transaction, or one of the other transactions,” there were substituted “one of the other transactions”.”.
- (5) In paragraph 6 (meaning of related transactions) after sub-paragraph (3) insert—
- “(3A) Where this paragraph has effect in relation to one of the associated transactions to which section 93A of the Finance Act 1996 refers—
- (a) sub-paragraph (1) shall have effect as if for “two or more transactions are related” there were substituted “two or more transactions are associated transactions to which section 93A of the Finance Act 1996 refers”, and
- (b) sub-paragraph (2) shall have effect as if for “related transactions” there were substituted “associated transactions to which that section refers”.”.
- (6) This section has effect for accounting periods ending on or after 26th July 2001 in relation to profits and gains realised, and losses sustained, on or after that date.