

*Status: Point in time view as at 19/07/2007.*

*Changes to legislation: Finance Act 2007, Paragraph 18 is up to date with all changes known to be in force on or before 25 June 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)*

## SCHEDULES

### SCHEDULE 14

#### SALE AND REPURCHASE OF SECURITIES: MINOR AND CONSEQUENTIAL AMENDMENTS

##### *Finance Act 1996 (c. 8)*

18 For paragraph 15 of Schedule 9 (and the italic cross-heading before it) substitute—

*“Repo and stock-lending transactions and other transactions  
where a company ceases to be party to a loan relationship*

- 15 (1) This paragraph applies if—
- (a) a company ceases to be a party to a loan relationship in any period (whether as a result of the disposal of the rights or liabilities under the relationship under a repo or stock lending arrangement or otherwise), but
  - (b) amounts in respect of the relationship are, in accordance with generally accepted accounting practice, nonetheless recognised in determining the company's profit or loss for that period or any subsequent period.
- (2) Despite ceasing to be a party to the relationship—
- (a) the company is to bring into account amounts in respect of the relationship for those periods for the purposes of this Chapter, and
  - (b) those amounts are to be those which are so recognised in respect of the relationship (subject to the provisions of this Chapter (including, in particular, section 84(1))).
- (3) In relation to any time after the company ceases to be a party to a loan relationship, any question—
- (a) whether the company is to any extent a party to the relationship for the purposes of a trade carried on by it or for any other particular purpose or purposes, or
  - (b) whether the relationship is to any extent referable to a particular business, or a particular class, category or description of business, carried on by it,
- is to be determined by reference to the circumstances immediately before the company ceased to be a party to the relationship.
- (4) This paragraph does not apply in relation to any amount in respect of a loan relationship which is brought into account for the purposes of this Chapter as a result of section 103(6) of this Act or paragraph 4 of Schedule 13 to the Finance Act 2007 (sale and repurchase of securities).”

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