



# Finance Act 1994

## 1994 CHAPTER 9

### PART IV

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

### CHAPTER II

#### INTEREST RATE AND CURRENCY CONTRACTS

#### *Supplemental*

#### **173 Prevention of double charging etc.**

- (1) Subsection (2) below applies to any amount—
  - (a) which under or by virtue of this Chapter is chargeable to corporation tax as profits of a qualifying company, or
  - (b) which falls to be taken into account as a receipt in computing for the purposes of this Chapter the profits or losses of such a company.
- (2) An amount to which this subsection applies—
  - (a) shall not otherwise than under or by virtue of this Chapter be chargeable to corporation tax as profits of the company,
  - (b) shall not be taken into account as a receipt in computing for other purposes of the Tax Acts the profits or losses of the company, and
  - (c) for the purposes of the <sup>MI</sup>Taxation of Chargeable Gains Act 1992, shall be excluded from the consideration for a disposal of assets taken into account in the computation of the gain.
- (3) Subsection (4) below applies to any amount—
  - (a) which is allowable as a deduction in computing for the purposes of this Chapter the profits or losses of a qualifying company, or

*Status: Point in time view as at 29/04/1996. This version of this provision has been superseded.*

*Changes to legislation: Finance Act 1994, Section 173 is up to date with all changes known to be in force on or before 14 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)*

- (b) which under or by virtue of this Chapter is allowable as a deduction in computing any other income or profits or gains or losses of such a company for the purposes of the Tax Acts, or
  - (c) which, although not so allowable as a deduction in computing any losses, would be so allowable but for an insufficiency of income or profits or gains;
- and that subsection applies to any such amount irrespective of whether effect is or would be given to the deduction in computing the amount of tax chargeable or by discharge or repayment of tax or in any other way.
- (4) An amount to which this subsection applies—
- (a) shall not be allowable as a deduction in computing for other purposes of the Tax Acts the profits or losses of the company,
  - (b) shall not otherwise than under or by virtue of this Chapter be allowable as a deduction in computing any other income or profits or gains or losses of the company for the purposes of the Tax Acts,
  - (c) shall not be treated as a charge on income for the purposes of corporation tax, and
  - (d) shall be excluded from the sums allowable under section 38 of the <sup>M2</sup>Taxation of Chargeable Gains Act 1992 as a deduction in the computation of the gain.
- (5) In this section—
- (a) references to the purposes of this Chapter include references to the purposes of [<sup>F1</sup>Chapter II of Part IV of the Finance Act 1996 (loan relationships), so far as that Chapter is applied by virtue of section 160(2) or (2A) above,] and
  - (b) references to other purposes of the Tax Acts are references to the purposes of those Acts other than those of this Chapter.

#### Textual Amendments

**F1** Words in s. 173(5)(a) substituted (29.4.1996 with effect as mentioned in s. 105(1) of the amending Act) by 1996 c. 8, s. 104, **Sch. 14 para. 77** (with savings etc. in Pt. IV Chapter II (ss. 80-105))

#### Marginal Citations

**M1** 1992 c.12.

**M2** 1992 c.12.

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