

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Paragraph 6. (See end of Document for details)

SCHEDULES

SCHEDULE 15

LOAN RELATIONSHIPS: SAVINGS AND TRANSITIONAL PROVISIONS

PART I

CORPORATION TAX

Method of giving effect to paragraph 5 adjustments

- 6 (1) Subject to sub-paragraph (4) below, the difference mentioned in paragraph 5(2) above shall be brought into account in accordance with sub-paragraph (2) or (3) below in the accounting period in which the company ceases to be a party to the relationship.
- (2) If—
- (a) the relationship is a creditor relationship and the difference consists in an excess of the amount mentioned in paragraph 5(2)(b) above over the amount mentioned in paragraph 5(2)(a) above, or
 - (b) the relationship is a debtor relationship and the difference consists in an excess of the amount mentioned in paragraph 5(2)(a) above over the amount mentioned in paragraph 5(2)(b) above,
- the difference shall be brought into account as a credit given for the purposes of this Chapter for the period mentioned in sub-paragraph (1) above.
- (3) In any other case, the difference shall be brought into account as a debit given for the purposes of [F1Part 5 of the Corporation Tax Act 2009] for the period so mentioned.
- [F2(4) Sub-paragraphs (1) to (3) above do not apply if the company duly made an election for the purposes of this sub-paragraph as it had effect on 30th September 1996.]
- (8) Where any credit or debit falls to be brought into account under this paragraph for any accounting period for the whole or any part of which the company carries on the trade in question, the credit or debit shall be brought into account under [F3section 297 of the Corporation Tax Act 2009] in relation to that trade; and, in any other case, it shall be brought into account as a non-trading credit or non-trading debit [F4under Part 5 of that Act].

Textual Amendments

- F1** Words in Sch. 15 para. 6(3) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 444\(4\)\(a\)](#) (with [Sch. 2 Pts. 1, 2, Sch. 2 para. 54](#))
- F2** Sch. 15 para. 6(4) substituted for Sch. 15 para. 6(4)-(7) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 444\(4\)\(b\)](#) (with [Sch. 2 Pts. 1, 2, Sch. 2 para. 54](#))

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- F3** Words in Sch. 15 para. 6(8) substituted (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 444(4)(c)(i)** (with Sch. 2 Pts. 1, 2, Sch. 2 para. 54)
- F4** Words in Sch. 15 para. 6(8) inserted (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 444(4)(c)(ii)** (with Sch. 2 Pts. 1, 2, Sch. 2 para. 54)

Modifications etc. (not altering text)

- C1** Sch. 15 para. 6(1)(2) extended (27.7.1999 with effect as mentioned in s. 81(12) of the amending Act) by 1999 c. 16, **s. 81(4)(5)**

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1996, Paragraph 6.