

## SCHEDULES

### SCHEDULE 15

#### LOAN RELATIONSHIPS: SAVINGS AND TRANSITIONAL PROVISIONS

##### PART I

##### CORPORATION TAX

##### *Convertible securities*

- 21 (1) This Chapter shall not affect—
- (a) the application of paragraph 12 of Schedule 10 to the Finance Act 1990 (charge in the case of convertible securities) in relation to any chargeable event occurring before 1st April 1996; or
  - (b) the application of paragraph 25 of that Schedule (relief in the case of convertible securities) in relation to any redemption occurring before that date.
- (2) Where—
- (a) a company held a qualifying convertible security on 31st March 1996,
  - (b) that date was not a date on which any chargeable event occurred in relation to that security, and
  - (c) there is an amount which, if there had been a chargeable event on that date, would have been treated under paragraph 12 of Schedule 10 to the Finance Act 1990 as income chargeable to tax under Case III or IV of Schedule D,
- that amount shall be brought into account, in the case of that company, as a non-trading credit given for the purposes of this Chapter for the accounting period mentioned in sub-paragraph (3) below.
- (3) That period is the accounting period in which falls whichever is the earliest of the following, that is to say—
- (a) the earliest day after 31st March 1996 on which, under the terms on which the security was issued, the company holding the security is entitled to require it to be redeemed;
  - (b) the day on which the security is redeemed; and
  - (c) the day on which the company makes a disposal of that security.
- (4) Where—
- (a) any qualifying convertible security is redeemed, and
  - (b) that security is one in the case of which any amount falls to be brought into account under sub-paragraph (2) above,
- an amount equal to that amount shall be brought into account, in the case of the company that issued the security, as a non-trading debit given for the purposes of this Chapter for the accounting period in which the redemption occurs.

*Status: This is the original version (as it was originally enacted).*

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- (5) In this paragraph “chargeable event” and “qualifying convertible security” have the same meanings as in Schedule 10 to the Finance Act 1990.