

Status: Point in time view as at 06/04/2003.

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross
Heading: Election for alternative treatment of amounts specified in paragraph 8. (See end of Document for details)*

SCHEDULES

SCHEDULE 15

LOAN RELATIONSHIPS: SAVINGS AND TRANSITIONAL PROVISIONS

PART I

CORPORATION TAX

Election for alternative treatment of amounts specified in paragraph 8

- 9 (1) Subject to the following provisions of this paragraph, where (apart from this paragraph) any amount representing a deemed allowable loss would fall in the case of any company to be brought into account for any accounting period in accordance with sub-paragraph (3) of paragraph 8 above, the chargeable company may elect for that amount to be brought into account for that period for the purposes of this Chapter, instead of in accordance with that sub-paragraph.
- (2) An amount brought into account for the purposes of this Chapter by virtue of an election under this paragraph shall be so brought into account as a debit given for that period for the purposes of this Chapter.
- (3) The question whether or not any debit brought into account for any accounting period in accordance with sub-paragraph (2) above is to be brought into account for that period as a non-trading debit shall be determined according to how other credits or debits relating to the loan relationship in question are, or (if there were any) would be, brought into account for that period.
- (4) No election shall be made under this paragraph in respect of any deemed allowable loss in any case where the asset in respect of which that loss is deemed to have accrued was one which, as at 1st April 1996, either—
- (a) fell in accordance with section 127 or 214(9) of the 1992 Act (equation of new holding with previous holding) to be treated as the same as an asset which was not an asset representing a loan relationship; or
 - (b) would have so fallen but for section 116(5) of that Act.
- (5) An election shall not be made under this paragraph at any time more than two years after the occurrence of the relevant event by virtue of which the amount to which the election relates would fall to be brought into account in accordance with paragraph 8(3) above.

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