

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 this Chapter for the period so mentioned.
- (4) Where the company, by notice in writing given on or before 30th September 1996 to an officer of the Board, makes an election for the purposes of this sub-paragraph—
- (a) sub-paragraphs (1) to (3) above shall not apply; and
 - (b) instead, one sixth of every credit and debit which would have fallen, in accordance with those sub-paragraphs, to be brought into account on the relevant assumption shall be brought into account for each year in the period of six years beginning with the company's first relevant accounting period; and for this purpose "the relevant assumption" is that the company had ceased on 1st April 1996 to be a party to every one of its continuing loan relationships to which paragraph 5 above applies.
- (5) Where any amount representing a fraction of a credit or debit falls to be brought into account for any year under sub-paragraph (4) above, that amount shall be—
- (a) apportioned between the accounting periods beginning or ending in that year; and
 - (b) brought into account in the periods to which it is allocated in accordance with that apportionment.

Status: This is the original version (as it was originally enacted).

- (6) An apportionment between accounting periods of an amount to be brought into account under sub-paragraph (4) above for any year shall be made according to how much of the year is included in each period; and, if that year and the accounting period are the same, the apportionment shall be effected by the allocation of the whole amount to that accounting period.
- (7) If the company ceases to be within the charge to corporation tax before the end of the six years mentioned in sub-paragraph (4)(b) above, the whole amount of the excess, so far as it has not fallen to be brought into account for an earlier accounting period, shall be brought into account as a debit or credit for the accounting period ending when the company ceases to be within that charge.
- (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 section 82(2) of this Act 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.