



# Finance Act 1996

## 1996 CHAPTER 8

### PART IV

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

### CHAPTER II

#### LOAN RELATIONSHIPS

##### *Miscellaneous other provisions*

#### **101 Financial instruments.**

- (1) Chapter II of Part IV of the <sup>M1</sup>Finance Act 1994 (provisions relating to certain financial instruments) shall not apply to any profit or loss which, in accordance with that Chapter, accrues to a company for any accounting period on a qualifying contract by virtue of which the company is a party to any loan relationship if—
- (a) an amount representing that profit or loss, or
  - (b) an amount representing the profit or loss accruing to that company on that contract,
- is brought into account for that period for the purposes of this Chapter.
- (2) After section 147 of that Act (qualifying contracts) there shall be inserted the following section—

#### **“147A Debt contracts and options to be qualifying contracts.**

- (1) For the purposes of this Chapter a debt contract or option is a qualifying contract as regards a qualifying company if the company becomes entitled to rights, or subject to duties, under the contract or option at any time on or after 1st April 1996.

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*Status: Point in time view as at 29/04/1996. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Section 101. (See end of Document for details)*

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- (2) For the purposes of this Chapter a qualifying company which is entitled to rights, or subject to duties, under a debt contract or option both immediately before and on 1st April 1996 shall be deemed to have become entitled or subject to those rights or duties on that date.
- (3) This section has effect subject to paragraph 25 of Schedule 15 to the Finance Act 1996 (transitional provisions).”
- (3) After section 150 of that Act (qualifying contracts) there shall be inserted the section set out in Schedule 12 to this Act (which defines debt contracts and options by reference to contracts and options conferring rights and duties to participate in loan relationships).
- (4) In section 151 of that Act (provisions that may be included in contracts and options), for the words “or a currency contract or option,”, in each place where they occur, there shall be substituted “ a currency contract or option or a debt contract or option ”.
- (5) In section 152(1) of that Act (disregard of provisions for relatively small payments in contracts and options), after “150” there shall be inserted “ or 150A ”.
- (6) In section 153(1) of that Act (qualifying payments), for the word “and” at the end of paragraph (c) there shall be substituted—
- “(ca) in relation to a qualifying contract which is a debt contract, a payment falling within section 150A(5) or (6) above; and”.

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**Marginal Citations**

**M1** 1994 c. 9.

**Status:**

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**Changes to legislation:**

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