

Status: Point in time view as at 20/07/2005.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2005, Cross Heading: Exchange gains and losses. (See end of Document for details)

SCHEDULES

SCHEDULE 6

ACCOUNTING PRACTICE AND RELATED MATTERS

Exchange gains and losses

- 9 (1) The following provisions shall cease to have effect—
- (a) section 84A of FA 1996 (exchange gains and losses from loan relationships);
 - (b) paragraph 16 of Schedule 26 to FA 2002 (exchange gains and losses arising from derivative contracts).
- (2) These amendments come into force on a day to be appointed by the Treasury by order made by statutory instrument.
- (3) The order may contain such transitional provision and savings as appear to the Treasury to be appropriate.
- 10 In section 103 of FA 1996 (loan relationships: general interpretation), for subsection (1AA) substitute—
- “(1AA) The Treasury may make provision by regulations as to the manner in which—
- (a) exchange gains or losses, and
 - (b) any other profits or gains or losses,
- are to be calculated for the purposes of subsection (1A) in a case where fair value accounting is used by the company.
- Any such regulations may be made so as to apply to periods of account beginning before the regulations are made, but not earlier than the beginning of the calendar year in which they are made.”.
- 11 In paragraph 54 of Schedule 26 to FA 2002 (derivative contracts: general interpretation), for sub-paragraph (2A) substitute—
- “(2A) The Treasury may make provision by regulations as to the manner in which—
- (a) exchange gains or losses, and
 - (b) any other profits or gains or losses,
- are to be calculated for the purposes of sub-paragraph (2) in a case where fair value accounting is used by the company.
- Any such regulations may be made so as to apply to periods of account beginning before the regulations are made, but not earlier than the beginning of the calendar year in which they are made.”.

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