

SCHEDULES

SCHEDULE 4

ACCOUNTING PRACTICE AND RELATED MATTERS

PART 2

OTHER PROVISIONS CONNECTED WITH ACCOUNTING PRACTICE

FA 1996

- 28 (1) Section 94A of FA 1996 (loan relationships with embedded derivatives) is amended as follows.
- (2) In subsection (1) for “is permitted or required in accordance with generally accepted accounting practice to treat” substitute “in accordance with generally accepted accounting practice treats”.
- (3) Where—
- (a) immediately before the end of its last period of account beginning before 1st January 2005 a company holds one or more assets to which section 92 or 93 of FA 1996 applies, and
 - (b) section 94A of FA 1996 does not otherwise apply in relation to those assets in the company’s first period of account beginning on or after 1st January 2005,
- the company may elect that section 94A shall apply in relation to those assets.
- (4) Any such election—
- (a) must be made to the Inland Revenue in writing on or before 31st July 2005,
 - (b) must apply to all the assets held by the company as mentioned in subparagraph (3), and
 - (c) is irrevocable.