

Status: Point in time view as at 01/04/2009.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, Part 1. (See end of Document for details)

SCHEDULES

SCHEDULE 4 **U.K.**

ACCOUNTING PRACTICE AND RELATED MATTERS

PART 1 **U.K.**

BAD DEBTS AND RELATED MATTERS

ICTA

1 In section 74 of ICTA (general rules as to deductions not allowable), omit subsection (1)(j) and subsection (2) (bad debts and related matters).

^{F12}

Textual Amendments

F1 Sch. 4 paras. 2-5 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

^{F13}

Textual Amendments

F1 Sch. 4 paras. 2-5 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

^{F14}

Textual Amendments

F1 Sch. 4 paras. 2-5 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

^{F15}

Textual Amendments

F1 Sch. 4 paras. 2-5 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

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Textual Amendments

F2 Sch. 4 para. 6 repealed (retrospectively) by Finance (No. 2) Act 2005 (c. 22), Sch. 6 para. 4(1)(6), Sch. 11 Pt. 2(6)

7 In section 799 of ICTA (double taxation relief: computation of underlying loss), in subsection (6)(b) after “bad debts” insert “, impairment losses”.

8 In section 834(1) of ICTA (interpretation of the Corporation Tax Acts), at the appropriate place insert—

““statutory insolvency arrangement” means—

- (a) a voluntary arrangement that has taken effect under or as a result of the Insolvency Act 1986, Schedule 4 or 5 to the Bankruptcy (Scotland) Act 1985 or the Insolvency (Northern Ireland) Order 1989,
- (b) a compromise or arrangement that has taken effect under section 425 of the Companies Act 1985 or Article 418 of the Companies (Northern Ireland) Order 1986, or
- (c) any arrangement or compromise of a kind corresponding to any of those mentioned in paragraph (a) or (b) above that has taken effect under or by virtue of the law of a country or territory outside the United Kingdom;”.

FA 1996

^{F3}9

Textual Amendments

F3 Sch. 4 para. 9 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2, 8 para. 63)

^{F4}10

Textual Amendments

F4 Sch. 4 para. 10 repealed (with effect in accordance with Sch. 6 para. 5(2) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), Sch. 11 Pt. 2(6) Note 2

^{F5}11

Textual Amendments

F5 Sch. 4 paras. 11-13 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2, 8 para. 63)

^{F5}12

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Textual Amendments

F5 Sch. 4 paras. 11-13 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2Pts. 1, 2, 8 para. 63)

F513

Textual Amendments

F5 Sch. 4 paras. 11-13 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2Pts. 1, 2, 8 para. 63)

14 Omit paragraph 6B of Schedule 9 to FA 1996 (impairment losses: companies becoming connected).

F615

Textual Amendments

F6 Sch. 4 paras. 15-17 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2Pts. 1, 2, 8 para. 63)

F616

Textual Amendments

F6 Sch. 4 paras. 15-17 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2Pts. 1, 2, 8 para. 63)

F617

Textual Amendments

F6 Sch. 4 paras. 15-17 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2Pts. 1, 2, 8 para. 63)

FA 1997

18 (1) Schedule 12 to FA 1997 (leasing arrangements: finance leases and loans) is amended as follows.

(2) In paragraph 9(7) (relief for bad debts etc: cumulative accountancy rental excess), for the definition of “bad debt deduction” substitute—

““bad debt deduction”, in relation to a period of account, means the aggregate of any deductions falling to be made for accounting purposes for that period by way of impairment loss in respect of rents from the lease of the asset;”.

(3) In paragraph 10(7) (relief for bad debts etc: cumulative normal rental excess), for the definition of “bad debt deduction” substitute—

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““bad debt deduction”, in relation to a period of account, means the aggregate of any deductions falling to be made for accounting purposes for that period by way of impairment loss in respect of rents from the lease of the asset;”.

Schedule 26 to FA 2002

F719

Textual Amendments

F7 Sch. 4 para. 19 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

Schedule 29 to FA 2002

F820

Textual Amendments

F8 Sch. 4 para. 20 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

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