



Corporation Tax Act 2010

2010 CHAPTER 4

PART 2

CALCULATION OF LIABILITY IN RESPECT OF PROFITS

CHAPTER 4

CURRENCY

The currency to be used in tax calculations

[^{F1}9A Designated currency of a UK resident investment company

- (1) The designated currency of a UK resident investment company is the currency which the company elects as its designated currency.
- (2) A company (“X”) may elect a currency as its designated currency only if—
 - (a) at the time the election is made condition A or B is met, or
 - (b) the election is made in the period (if any) beginning with the company's incorporation and ending immediately before its first accounting period.
- (3) But an election made under subsection (2)(b) is void if, at the time X's first accounting period begins, neither condition A nor condition B is met.
- (4) Condition A is that a significant proportion of X's assets and liabilities are denominated in the currency.
- (5) Condition B is that—
 - (a) the currency is the functional currency of another company, and
 - (b) it is reasonable to assume that the two companies will meet the consolidation condition.
- (6) X and another company (“Y”) meet the consolidation condition at any time if—

Status: Point in time view as at 17/07/2012. This version of this provision has been superseded.

Changes to legislation: Corporation Tax Act 2010, Section 9A is up to date with all changes known to be in force on or before 28 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) for a period which includes that time, the financial results of X are comprised in financial statements of Y's group prepared in accordance with acceptable accounting practice, or
- (b) if no financial statements of the group are prepared in accordance with acceptable accounting practice for a period which includes that time, the financial results of X would be comprised in financial statements of Y's group for a period which includes that time if such statements were prepared in accordance with international accounting standards.

(7) In subsection (6)—

“ financial statements of the group ” means consolidated financial statements of Y and its subsidiaries (within the meaning of section 351 of TIOPA 2010),

“ Y's group ” means a group of which Y is the ultimate parent (and for this purpose “ group ” and “ ultimate parent ” have the same meaning as they have for the purposes of Part 7 of that Act (see sections 338 and 339)), and

“ acceptable accounting practice ” means—

- (a) international accounting standards,
- (b) UK generally accepted accounting practice, or
- (c) accounting practice which is generally accepted in the country in which Y is resident.

(8) A currency is the designated currency of X for a period of account if the election in respect of that currency has effect throughout that period (see section 9B).]

Textual Amendments

F1 Ss. 9A, 9B inserted (with effect in accordance with Sch. 7 para. 8 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 7 para. 3](#)

Status:

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