

SCHEDULES

SCHEDULE 12

ELIMINATING TAX MISMATCH FOR CERTAIN DEBT

Commencement and transitional provisions

- 4 (1) This paragraph applies in relation to an accounting period of a company beginning on 1 January 2019 (“the 2019 period”) to bring in credits or debits in respect of a loan relationship which is the external loan relationship for the purposes of section 352B of CTA 2009 so far as they would not otherwise be brought into account.
- (2) If there is a difference between—
- (a) the tax-adjusted carrying value of the liability representing the external loan relationship at the end of the accounting period of the company ending on 31 December 2018, and
 - (b) the tax-adjusted carrying value of that liability at the beginning of the 2019 period,
- a credit or debit (as the case may be) of an amount equal to the difference must be brought into account for the purposes of Part 5 of CTA 2009 for the 2019 period in the same way as a credit or debit which is brought into account in determining the company’s profit or loss for that period in accordance with generally accepted accounting practice.
- (3) Section 465B of CTA 2009 (meaning of “tax-adjusted carrying value”) applies for the purposes of this paragraph as it applies for the purposes of Part 5 of that Act.