
STATUTORY INSTRUMENTS

1994 No. 3227

The Exchange Gains and Losses (Alternative Method of Calculation of Gain or Loss) Regulations 1994

Matching

Interpretation

4.—(1) This regulation has effect for the interpretation of regulations 5 to 11.

(2) In those regulations—

“the Taxes Act” means the Income and Corporation Taxes Act 1988(1);

“the 1992 Act” means the Taxation of Chargeable Gains Act 1992(2);

“accounts”, in relation to a company, means the accounts of the company prepared in accordance with normal accountancy practice being either—

(i) the annual accounts of the company prepared in accordance with Part VII of the Companies Act 1985(3), or

(ii) if the company is not required to prepare such accounts, the accounts which it is required to keep under the law of its home State or, if it is not so required to keep accounts, such of its accounts as most closely correspond to accounts which it would have been required to prepare if the provisions of that Part applied to the company;

“a local currency election” means an election under the Local Currency Elections Regulations 1994(4);

“chargeable gain” has the same meaning as it has for the purposes of the 1992 Act;

“a liability” means—

(a) a liability falling within section 153(2)(a) of the 1993 Act, or

(b) in relation to a currency contract held by a company, the duty of the company under that contract to pay in exchange for one currency an amount of a second currency;

and in relation to a currency contract references to initial exchange gains or losses shall be construed as references to initial exchange gains or losses accruing as regards the second currency.

(3) For the purposes of this regulation and regulations 5 to 11, any reference to an asset being matched in part only shall include a reference to any asset matched in accordance with an election under regulation 10(2)(c).

(4) A liability is matched by an asset at any time only to the extent that the value of the liability at that time is matched by the value of the asset at that time and, subject to that, if the election concerned is made under regulation 10(2)(c) so that the asset is matched in part only, the liability shall be taken to be matched only to a corresponding extent.

(1) 1988 c. 1.

(2) 1992 c. 12.

(3) 1985 c. 6.

(4) S.I.1994/3230.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(5) The value of a company's asset or liability at any time shall be taken to be the value attributed to the asset or liability as at that time by the company for the purposes of its accounts for the accounting period which includes that time (expressed in the currency in which those accounts are prepared).

(6) Any reference to the disposal of an asset and to the time of the disposal of an asset shall be construed as a reference to any event which is a disposal for the purposes of the 1992 Act and the time at which the disposal occurs for the purposes of that Act, and for the purposes of the foregoing, any reference to a disposal includes a part disposal.