

---

STATUTORY INSTRUMENTS

---

**2006 No. 3236**

**The Loan Relationships and Derivative Contracts  
(Disregard and Bringing into Account of Profits  
and Losses) (Amendment) Regulations 2006**

**Amendment to the Loan Relationships and Derivative Contracts (Disregard and Bringing into Account of Profits and Losses) Regulations 2004**

7.—(1) Amend regulation 12 as follows.

(2) For paragraphs (1) and (2) substitute—

“(1) For the purposes of section 85B(3) of the Finance Act 1996 the amounts described in paragraph (2) are prescribed in relation to a company which is party to a debtor relationship to which—

(a) either—

(i) section 92A (convertible securities etc: debtor relationships)(1), or

(ii) section 93,

of the Finance Act 1996 applies immediately before the start of the first accounting period of the company to begin on or after 1st January 2005, and

(b) section 94A of the Finance Act 1996 applies in the first accounting period of the company to begin on or after 1st January 2005.

This is subject to paragraph (4).

(1A) Where paragraph (1) does not apply, for the purposes of section 85B(3) of the Finance Act 1996 the amounts described in paragraph (2A) are prescribed in relation to a company which is party to a debtor relationship to which—

(a) section 92A, or

(b) section 93,

of the Finance Act 1996 applies immediately before the start of the first accounting period of the company to begin on or after 1st January 2005.

This is subject to paragraph (4).

(2) The prescribed amounts are—

(a) where paragraph (1)(a)(i) applies, debits to the extent that they are within section 92A(3) of the Finance Act 1996;

(b) where paragraph (1)(a)(ii) applies, all debits and credits in respect of the host contract save for debits in relation to interest accruing in respect of the debtor relationship without regard to the amounts given by the effective interest method.

(2A) The prescribed amounts are—

---

(1) Section 92A was inserted by section 76 of the Finance Act 2002, amended by sections 83(1)(b) and (3) and 141 of, and paragraphs 17 and 18 of Schedule 27 and Part 3(13) of Schedule 40 to, that Act and was repealed by sections 52 and 326 of, and paragraph 9 of Schedule 10 and Part 2(6) of Schedule 42 to, the Finance Act 2004.

---

**Status:** This is the original version (as it was originally made).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

---

- (a) where paragraph (1A)(a) applies, debits to the extent that they are within section 92A(3) of the Finance Act 1996;
- (b) where paragraph (1A)(b) applies, all debits and credits in respect of the host contract save for debits in relation to interest.”.