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STATUTORY INSTRUMENTS

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**2006 No. 3269**

The Finance Act 2002, Schedule 26,  
(Parts 2 and 9) (Amendment) Order 2006

*Amendment of Part 9 of Schedule 26*

**Amendment of paragraph 45D of Schedule 26**

**13.**—(1) Amend paragraph 45D(1) (creditor relationships: embedded derivatives which are options) as follows.

(2) In sub-paragraph (1) for paragraphs (a) to (c) substitute—

“(a) the derivative contract is a loan-contract embedded derivative to which the company is treated as party by virtue of a creditor relationship of the company (“the original relationship”),

(b) the derivative contract is treated as an option by virtue of section 94A(3) of the Finance Act 1996.”

(3) In sub-paragraph (2)(a) for “creditor relationship” substitute “original relationship”.

(4) For sub-paragraph (2)(f) substitute—

“(f) the original asset is not an existing asset.”

(5) In sub-paragraph (3)(a) for “creditor relationship” substitute “original relationship”.

(6) In sub-paragraph (3A) for “paragraph” substitute “Schedule and Chapter 2 of Part 4 of the Finance Act 1996”.

(7) In sub-paragraph (8) for “creditor relationship” substitute “original relationship”.