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STATUTORY INSTRUMENTS

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**2009 No. 2971**

The Mutual Societies (Transfers of  
Business) (Tax) Regulations 2009

PART 3

INDUSTRIAL AND PROVIDENT SOCIETIES

**Transfer of derivative contract where fair value accounting is used**

**24.**—(1) This regulation applies in a case where regulation 22 would apply but for the fact that the transferor is regarded as using fair value accounting as respects the derivative contract.

(2) Subject to paragraph (4), the amount which is to be brought into account by the transferor in respect of a relevant transfer is the fair value of the derivative contract as at the date of that transfer.

(3) For any accounting period in which the transferee is a party to the derivative contract, for the purpose of determining the credits and debits to be brought into account in respect of the contract for the purposes of these Regulations, the transferee shall be treated as if it had acquired the contract for consideration of an amount equal to the fair value of the contract as at the date of the transfer.

(4) If a discount arises in respect of the relevant transfer, the amount to be brought into account under paragraph (2) shall be treated as increased by the amount of the discount.

(5) For the purposes of this regulation, subsection (5) of section 480 of CTA (relevant non-lending relationships involving discounts) applies as it applies for the purposes of that section.

(6) This regulation is subject to regulation 27.