
STATUTORY INSTRUMENTS

2017 No. 1224

The Corporate Interest Restriction (Financial Statements: Group Mismatches) Regulations 2017

Debt buy-back

3.—(1) This regulation applies where—

- (a) on 1 April 2017 a loan relationship exists between two companies which are members of the same worldwide group,
- (b) the loan was previously recognised in the financial statements of the worldwide group,
- (c) the loan was derecognised in the financial statements of the worldwide group when—
 - (i) a company in the worldwide group became party as creditor to the loan relationship, or
 - (ii) the company which is party to the loan relationship as creditor became a member of the worldwide group, and

neither section 361 or 362 of the Corporation Tax Act 2009⁽¹⁾ applied on the occasion of either of those events, and

- (d) a gain or loss was recognised in the financial statements of the worldwide group in respect of the derecognition.

(2) For the purpose of calculating the specified amounts, an amount equal to the gain or loss recognised in the financial statements of the worldwide group in respect of the derecognition is treated as brought into account on a just and reasonable basis over the remainder of the term of the loan.

⁽¹⁾ 2009 c. 4; section 361 was amended by paragraph 35 of Schedule 7 to the Finance (No. 2) Act 2015 (c. 33), section 362 was amended by section 23 of the Finance Act 2012 (c. 14) and paragraph 38 of Schedule 7 to the Finance (No. 2) Act 2015.