



Finance Act 1994

1994 CHAPTER 9

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

INTEREST RATE AND CURRENCY CONTRACTS

Modifications etc. (not altering text)

- C1 Pt. IV Chapter II (ss. 147-177) restricted (31.7.1998) by 1988 c. 1, [Sch. 28AA para. 8\(1\)\(b\)](#) (as inserted (31.7.1998) by 1998 c. 36, s. 108, [Sch. 16](#))
- C2 Pt. IV Chapter II (ss. 147-177) applied (29.4.1996 with effect as mentioned in s. 105(1) of the applying Act) by 1996 c. 8, s. 105, [Sch. 15 para. 25\(4\)](#) (with savings etc. in Pt. IV Chapter II (ss. 80-105))
- C3 Pt. IV Chapter II (ss. 147-177) modified (29.4.1996 with effect as mentioned in s. 105(1) of the modifying Act) by 1996 c. 8, s. 105, [Sch. 15 para. 25\(2\)](#) (with savings etc. in Pt. IV Chapter II (ss. 80-105))
- C4 Pt. IV Chapter II (ss. 147-177) excluded (29.4.1996 with effect as mentioned in s. 105(1) of the excluding Act) by 1996 c. 8, s. [101\(1\)](#) (with savings etc. in Pt. IV Chapter II (ss. 80-105))

Qualifying contracts

147 Qualifying contracts.

F1

Textual Amendments

- F1 [Ss. 147-175, 177](#) repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

Changes to legislation: Finance Act 1994, Chapter II is up to date with all changes known to be in force on or before 13 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

147A Debt contracts and options to be qualifying contracts.

F2

Textual Amendments
F2 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

148 Contracts which may become qualifying contracts.

F3

Textual Amendments
F3 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

Interest rate and currency contracts and options

149 Interest rate contracts and options.

F4

Textual Amendments
F4 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

150 Currency contracts and options.

F5

Textual Amendments
F5 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

150A Debt contracts and options.

F6

Textual Amendments
F6 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

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151 Provisions which may be included.

F7

Textual Amendments

F7 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

152 Provisions which may be disregarded.

F8

Textual Amendments

F8 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

Other basic definitions

153 Qualifying payments.

F9

Textual Amendments

F9 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

154 Qualifying companies.

F10

Textual Amendments

F10 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Accrual of profits and losses

155 Accrual of profits and losses.

F11

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Textual Amendments

F11 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

156 Basis of accounting: general.

F12

Textual Amendments

F12 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

157 Basis of accounting for linked currency options.

F13

Textual Amendments

F13 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

158 Adjustments for changes in basis of accounting.

F14

Textual Amendments

F14 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Treatment of profits and losses

159 Trading profits and losses.

F15

Textual Amendments

F15 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

160 Non-trading profits and losses.

F16

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Textual Amendments

F16 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Special cases

161 Termination etc. of qualifying contracts.

F17

Textual Amendments

F17 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Modifications etc. (not altering text)

C5 Ss. 161-164 modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 5 para. 1** (with Sch. 5 paras. 27, 32-34))

162 Exchange gains and losses on currency contracts.

F18

Textual Amendments

F18 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Modifications etc. (not altering text)

C5 Ss. 161-164 modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 5 para. 1** (with Sch. 5 paras. 27, 32-34))

163 Irrecoverable payments.

F19

Textual Amendments

F19 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Modifications etc. (not altering text)

C5 Ss. 161-164 modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 5 para. 1** (with Sch. 5 paras. 27, 32-34))

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164 Released payments.

F20

Textual Amendments

F20 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Modifications etc. (not altering text)

C5 Ss. 161-164 modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 5 para. 1** (with Sch. 5 paras. 27, 32-34))

Anti-avoidance and related provisions

165 Transfers of value by qualifying companies.

F21

Textual Amendments

F21 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

166 Transfers of value to associated companies.

F22

Textual Amendments

F22 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

167 Transactions not at arm's length.

F23

Textual Amendments

F23 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

168 Qualifying contracts with non-residents.

F24

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Textual Amendments

F24 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

168A Qualifying contracts for unallowable purposes

F25

Textual Amendments

F25 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

Miscellaneous

169 Insurance and mutual trading companies.

F26

Textual Amendments

F26 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

170 Investment trusts.

F27

Textual Amendments

F27 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

F28 171

Textual Amendments

F28 S. 171 repealed (29.4.1996 with effect as mentioned in s. 105(1) of the repealing Act) by [1996 c. 8, s. 205, Sch. 41 Pt. V\(3\)](#), Note (with savings etc. in Pt. IV Chapter II (ss. 80-105))

172 Partnerships involving qualifying companies.

F29

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Textual Amendments

F29 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Supplemental

173 Prevention of double charging etc.

F30

Textual Amendments

F30 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

174 Prevention of deduction of tax.

F31

Textual Amendments

F31 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

175 Transitional provisions.

F32

Textual Amendments

F32 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

176 Minor and consequential amendments.

F33(1)

F34(2)

Textual Amendments

F33 S. 176(1) repealed (1.5.1995 with effect as mentioned in Sch. 8 para. 57 of the repealing Act) by [1995 c. 4, s. 162, Sch. 29 Pt. VIII\(5\)](#), Note 2 (with Sch. 8 paras. 55(2), 57(1))

F34 S. 176(2) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

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177 Interpretation of Chapter II.

F35
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Textual Amendments

F35 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, [Sch. 40 Pt. 3\(13\)](#)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)