

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2005, SCHEDULE 6. (See end of Document for details)

SCHEDULES

SCHEDULE 6

Section 37

ACCOUNTING PRACTICE AND RELATED MATTERS

Adjustment on change of accounting basis

F1₁

Textual Amendments

- F1** Sch. 6 para. 1 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

F2₂

Textual Amendments

- F2** [Sch. 6 para. 2](#) omitted (with effect in accordance with s. 54(5)(6) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), s. **54(4)**

Meaning of “statutory insolvency arrangement”

- 3 (1) For section 259 of ITTOIA 2005 (trading income: meaning of “statutory insolvency arrangement”) substitute—

“259 Meaning of “statutory insolvency arrangement”

In this Part “statutory insolvency arrangement” means—

- (a) a voluntary arrangement that has taken effect under or as a result of the Insolvency Act 1986, Schedule 4 or 5 to the Bankruptcy (Scotland) Act 1985 or the Insolvency (Northern Ireland) Order 1989,
- (b) a compromise or arrangement that has taken effect under section 425 of the Companies Act 1985 or Article 418 of the Companies (Northern Ireland) Order 1986, or
- (c) any arrangement or compromise of a kind corresponding to any of those mentioned in paragraph (a) or (b) that has taken effect under or by virtue of the law of a country or territory outside the United Kingdom.”.

- (2) This amendment has effect for the tax year 2005-06 and subsequent tax years in relation to periods of account beginning on or after 1st January 2005.

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Minor corrections

F34

Textual Amendments

F3 Sch. 6 paras. 4-6 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Deemed release of liability on impaired debt becoming held by connected company

F35

Textual Amendments

F3 Sch. 6 paras. 4-6 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Adjustment on change to international accounting standards: bad debt debits formerly disallowed

F36

Textual Amendments

F3 Sch. 6 paras. 4-6 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Loan relationships with embedded derivatives

F47

Textual Amendments

F4 Sch. 6 para. 7 repealed (1.4.2009, with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), Sch. 1 para. 673(a), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2, Pt. 8 para. 64)

8 (1) In section 116(8A) of TCGA 1992 (reorganisations, conversions and reconstructions: application of loan relationships regime in certain cases)—

- (a) after “shall have effect” insert “, subject to subsection (8B) below, ”, and
- (b) for “that subsection” substitute “ subsection (6) above ”.

(2) After that subsection insert—

“(8B) Subsection (8A) above does not apply where the relevant transaction is a conversion of securities occurring in consequence of the operation of the terms of any security or of any debenture which is not a security.

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Expressions used in this subsection have the same meaning as they have for the purposes of section 132.”.

- (3) These amendments have effect in relation to transactions occurring after 26th May 2005.

Exchange gains and losses

F59

Textual Amendments

- F5** Sch. 6 para. 9 repealed (1.4.2009, with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 673(b), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2, Pt. 8 para. 64)

F610

Textual Amendments

- F6** Sch. 6 para. 10 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F711

Textual Amendments

- F7** Sch. 6 para. 11 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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