

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, SCHEDULE 4. (See end of Document for details)*

# SCHEDULES

## SCHEDULE 4 **U.K.**

Section 80

### ACCOUNTING PRACTICE AND RELATED MATTERS

#### PART 1 **U.K.**

#### BAD DEBTS AND RELATED MATTERS

##### ICTA

1 In section 74 of ICTA (general rules as to deductions not allowable), omit subsection (1)(j) and subsection (2) (bad debts and related matters).

<sup>F12</sup> .....

##### Textual Amendments

**F1** Sch. 4 paras. 2-5 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

<sup>F13</sup> .....

##### Textual Amendments

**F1** Sch. 4 paras. 2-5 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

<sup>F14</sup> .....

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<sup>F15</sup> .....

##### Textual Amendments

**F1** Sch. 4 paras. 2-5 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2Pts. 1, 2, 8 para. 63](#))

6 <sup>F2</sup> .....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, SCHEDULE 4. (See end of Document for details)*

**Textual Amendments**

**F2** Sch. 4 para. 6 repealed (retrospectively) by Finance (No. 2) Act 2005 (c. 22), Sch. 6 para. 4(1)(6), Sch. 11 Pt. 2(6)

F37 .....

**Textual Amendments**

**F3** Sch. 4 para. 7 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 10 Pt. 1 (with Sch. 9 paras. 1-9, 22)

F48 .....

**Textual Amendments**

**F4** Sch. 4 para. 8 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

*FA 1996*

F59 .....

**Textual Amendments**

**F5** Sch. 4 para. 9 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2, 8 para. 63)

F610 .....

**Textual Amendments**

**F6** Sch. 4 para. 10 repealed (with effect in accordance with Sch. 6 para. 5(2) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), Sch. 11 Pt. 2(6) Note 2

F711 .....

**Textual Amendments**

**F7** Sch. 4 paras. 11-13 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, 8 para. 63)

F712 .....

**Textual Amendments**

**F7** Sch. 4 paras. 11-13 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, 8 para. 63)

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, SCHEDULE 4. (See end of Document for details)*

F7<sup>13</sup> .....

**Textual Amendments**

**F7** Sch. 4 paras. 11-13 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. 2Pts. 1, 2, 8 para. 63)

14 Omit paragraph 6B of Schedule 9 to FA 1996 (impairment losses: companies becoming connected).

F8<sup>15</sup> .....

**Textual Amendments**

**F8** Sch. 4 paras. 15-17 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. 2Pts. 1, 2, 8 para. 63)

F8<sup>16</sup> .....

**Textual Amendments**

**F8** Sch. 4 paras. 15-17 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. 2Pts. 1, 2, 8 para. 63)

F8<sup>17</sup> .....

**Textual Amendments**

**F8** Sch. 4 paras. 15-17 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. 2Pts. 1, 2, 8 para. 63)

*FA 1997*

F9<sup>18</sup> .....

**Textual Amendments**

**F9** Sch. 4 para. 18 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

*Schedule 26 to FA 2002*

F10<sup>19</sup> .....

**Textual Amendments**

**F10** Sch. 4 para. 19 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. 2Pts. 1, 2, 8 para. 63)

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, SCHEDULE 4. (See end of Document for details)*

*Schedule 29 to FA 2002*

F1120 .....

**Textual Amendments**  
F11 Sch. 4 para. 20 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, 8 para. 63)

**PART 2 U.K.**

OTHER PROVISIONS CONNECTED WITH ACCOUNTING PRACTICE

*ICTA*

21 In section 43A of ICTA (rent factoring: meaning of “finance agreement”), in subsection (3) (reference to consolidated group accounts), omit paragraphs (a) and (b) and the word “and” preceding paragraph (a).

F1222 .....

**Textual Amendments**  
F12 Sch. 4 para. 22 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, 8 para. 63)

F1323 .....

**Textual Amendments**  
F13 Sch. 4 para. 23 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

24 (1) Section 747A of ICTA (special rule requiring chargeable profits of controlled foreign companies to be computed in currency of accounts of company's first relevant accounting period) shall cease to have effect.  
(2) This amendment has effect in relation to accounting periods beginning on or after 16th March 2005.

25 Section 836A of ICTA (meaning of generally accepted accounting practice) shall cease to have effect.

*FA 1996*

F1426 .....

**Textual Amendments**  
F14 Sch. 4 paras. 26-28 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, 8 para. 63)

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, SCHEDULE 4. (See end of Document for details)*

F14<sup>27</sup> .....

**Textual Amendments**

**F14** Sch. 4 paras. 26-28 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. 2Pts. 1, 2, 8 para. 63)

F14<sup>28</sup> .....

**Textual Amendments**

**F14** Sch. 4 paras. 26-28 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. 2Pts. 1, 2, 8 para. 63)

F15<sup>29</sup> .....

**Textual Amendments**

**F15** Sch. 4 para. 29 repealed (20.7.2005) by Finance (No. 2) Act 2005 (c. 22), **Sch. 11 Pt. 2(6)**

F16<sup>30</sup> .....

**Textual Amendments**

**F16** Sch. 4 para. 30 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. 2Pts. 1, 2, 8 para. 63)

F17<sup>31</sup> .....

**Textual Amendments**

**F17** Sch. 4 para. 31 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. 2Pts. 1, 2, 8 para. 63)

*FA 1997*

32 In Schedule 12 to FA 1997 (leasing arrangements: finance leases and loans), in paragraph 30(1) (interpretation) omit the definitions of “consolidated group accounts”, “group of companies” and “member” in relation to a group of companies.

*CAA 2001*

33 In section 219 of CAA 2001 (finance leases), in subsection (3) (reference to group accounts) for paragraph (b) substitute—  
“(b) are drawn up in accordance with generally accepted accounting practice.”.

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, SCHEDULE 4. (See end of Document for details)*

*Schedule 26 to FA 2002*

F1834 .....

**Textual Amendments**  
F18 Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

F1835 .....

**Textual Amendments**  
F18 Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

F1836 .....

**Textual Amendments**  
F18 Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

F1837 .....

**Textual Amendments**  
F18 Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

*Schedule 29 to FA 2002*

F1838 .....

**Textual Amendments**  
F18 Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

F1839 .....

**Textual Amendments**  
F18 Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

F1840 .....

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**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

**F18**41 .....

**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

**F18**42 .....

**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

**F18**43 .....

**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

**F18**44 .....

**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

**F18**45 .....

**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

**F18**46 .....

**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

**F18**47 .....

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*Changes to legislation: There are currently no known outstanding effects  
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**Textual Amendments**

**F18** Sch. 4 paras. 34-47 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. 2Pts. 1, 2, 8 para. 63)

*ITEPA 2003*

48 In Schedule 5 to ITEPA 2003 (enterprise management incentives), in paragraph 59 (index of defined expressions), in the entry relating to the expression “generally accepted accounting practice”, for “section 836A of ICTA” substitute “section 50(1) of the Finance Act 2004”.

*FA 2004*

49 In section 50 of FA 2004 (generally accepted accounting practice), for subsections (2) and (3) substitute—

“(2) In the Tax Acts “international accounting standards” has the same meaning as in Regulation (EC) No 1606/2002 of the European Parliament and the Council of 19 July 2002 on the application of international accounting standards.

(3) Where the European Commission has in accordance with that Regulation adopted an international accounting standard with modifications, then as regards matters covered by that standard—

- (a) generally accepted accounting practice with respect to IAS accounts shall be regarded as permitting the use of the standard either with or without the modifications, and
- (b) accounts prepared on either basis shall be regarded for the purposes of the Tax Acts as prepared in accordance with international accounting standards.”.

50 In sections 50(6), 51(6), 52(3) and 54(2) of FA 2004 (periods of account in relation to which the sections have effect), omit paragraph (b) and the word “and” preceding it. This amendment shall be deemed always to have had effect.

51 In Part 4 of Schedule 10 to FA 2004 (amendments relating to foreign currency accounting), after paragraph 78 insert—

*“Transitional provision*

79 Where a company carries forward to its first period of account beginning on or after 1st January 2005 an amount by way of—

- (a) management expenses brought forward under section 75 of the Taxes Act 1988,
- (b) losses brought forward under section 392B or 393 of that Act, or
- (c) non-trading deficits on loan relationships brought forward under section 83 of the Finance Act 1996,

that amount shall be translated into sterling using the London closing exchange rate for the last day of the previous period of account.”.



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*Changes to legislation: There are currently no known outstanding effects  
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*Power to make certain regulations with limited retrospective effect*

**F19** 52 .....

**Textual Amendments**

**F19** Sch. 4 para. 52 repealed (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. 665, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

**Changes to legislation:**

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