



Finance Act 2006

2006 CHAPTER 25

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 9

MISCELLANEOUS PROVISIONS

Accounting practice

101 Securitisation companies

- (1) Section 83 of FA 2005 (application of accounting standards to securitisation companies) is amended as follows.
- (2) In subsection (1)(b) (periods of account in relation to which old UKGAAP is to apply) for “1st January 2007” substitute “ 1st January 2008 ”.
- (3) In subsection (3) (meaning of “note-issuing company”)—
 - (a) omit “and” at the end of paragraph (c);
 - (b) after paragraph (d) insert—

“, and
 - (e) if it has any business apart from the activity mentioned in paragraph (a) (and any incidental activities) it consists in one or both of the following—
 - (i) acquiring, holding and managing assets forming the whole or part of the security for the capital market arrangement;
 - (ii) acting as guarantor in respect of loan relationships, derivative contracts, finance leases or other liabilities

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Cross Heading: Accounting practice. (See end of Document for details)

of other companies where the whole, or substantially the whole, of the company's rights in respect of the guarantee (including any right of subrogation) form the whole or part of the security for the capital market arrangement.”.

(4) In subsection (5) (meaning of “intermediate borrowing company”)—

(a) in paragraph (a) after “asset-holding company”, and

(b) in paragraph (b) after “note-issuing company”,

insert “ (or another intermediate borrowing company) ”.

^{F1}(5)

(6) The amendments in this section shall be deemed always to have had effect, subject as follows.

(7) A company that would have been a securitisation company for the purposes of section 83 of FA 2005 if the amendments in this section had not been made, being either—

(a) a note-issuing company that—

(i) had become party as debtor to the capital market investment before 22nd March 2006, or

(ii) had before that date entered into a binding arrangement to become a party as debtor to the capital market investment, or

(b) another description of securitisation company by virtue of its connection with a company within paragraph (a),

may elect to be taxed as if the amendments in subsection (3) had not been made.

(8) Any such election must be made not later than 31st March 2007 and has effect for all relevant periods of account.

Textual Amendments

F1 S. 101(5) 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](#))

102 Accountancy change: spreading of adjustment

(1) Schedule 15 to this Act (accountancy change: spreading of adjustment) has effect.

(2) In that Schedule—

Part 1 makes provision for income tax purposes, and

Part 2 makes provision for corporation tax purposes.

(3) In section 21B of ICTA (corporation tax: application to Schedule A business of other rules applicable to Case 1 of Schedule D) for “section 44 of and Schedule 6 to the Finance Act 1998” substitute “ section 64 of and Schedule 22 to the Finance Act 2002 ”.

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