

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 7: Derivative contracts

Overview

Chapter 1: Introduction

Section 574: Non-trading credits and debits to be brought into account under Part 5

1507. This section provides for credits and debits to be brought into account under Part 5 (loan relationships) if section 573 does not apply to them. It is based on paragraph 14(3) of Schedule 26 to FA 2002.
1508. Credits and debits are treated as non-trading credits and non-trading debits for the purposes of Part 5 and lumped in with any non-trading credits and non-trading debits arising on the company's loan relationships to determine whether there is an amount to charge (or to relieve as a deficit) under that Part. Profits and losses in respect of such credits and debits arising from the derivative contract are therefore charged under Part 5.
1509. *Subsection (3)* has the same function for non-trading credits and debits as does section 573(5) for trading credits and debits. The paragraphs in Part 10 of Schedule 2 headed "existing assets representing creditor relationships: options", "existing assets representing creditor relationships: contracts for differences" and "disapplication of section 658" also disapply this section.