

SCHEDULES

SCHEDULE 19

Section 62

ACCOUNTING STANDARDS: LOAN RELATIONSHIPS AND DERIVATIVE CONTRACTS

Loan relationships

- 1 In Chapter 18 of Part 5 of CTA 2009 (loan relationships: general and supplementary provision), before section 466 (and the heading before it) insert—

“Changes in accounting standards

Power to make regulations where accounting standards change

- 465A(1) The Treasury may by regulations make provision for cases where, in consequence of a change in accounting standards, there is a relevant accounting change.
- (2) “Change in accounting standards” means the issue, revocation, amendment or recognition of, or withdrawal of recognition from, an accounting standard by an accounting body.
- (3) “Relevant accounting change” means a change in the way in which a company is permitted or required, for accounting purposes, to recognise amounts which—
- (a) are brought into account by the company as credits or debits for any period for the purposes of this Part, or
 - (b) would be so brought into account but for any provision made by or under this Part.
- (4) Regulations under subsection (1) may amend this Part (apart from this section).
- (5) Regulations under subsection (1) may—
- (a) make different provision for different cases,
 - (b) make incidental, supplemental, consequential and transitional provision and savings, and
 - (c) make provision subject to an election or other specified circumstances.
- (6) Regulations making consequential provision by virtue of subsection (5) (b) may, in particular, include provision amending a provision of the Corporation Tax Acts.
- (7) Regulations under subsection (1) may apply to a pre-commencement period if they make provision in relation to a relevant accounting change which may

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2010, SCHEDULE 19. (See end of Document for details)

or must be adopted, for accounting purposes, for a period of account, or part of a period of account, which coincides with that pre-commencement period.

(8) In this section—

“accounting body” means the International Accounting Standards Board or the Accounting Standards Board, or a successor body to either of those Boards;

“accounting standard” includes any statement of practice, guidance or other similar document;

“pre-commencement period”, in relation to regulations, means an accounting period, or part of an accounting period, which begins before the regulations are made.”

Derivative contracts

2 In Chapter 13 of Part 7 of CTA 2009 (derivative contracts: general and supplementary provision), after section 701 insert—

“Changes to accounting standards

701A Power to make regulations where accounting standards change

- (1) The Treasury may by regulations make provision for cases where, in consequence of a change in accounting standards, there is a relevant accounting change.
- (2) “Change in accounting standards” means the issue, revocation, amendment or recognition of, or withdrawal of recognition from, an accounting standard by an accounting body.
- (3) “Relevant accounting change” means a change in the way in which a company is permitted or required, for accounting purposes, to recognise amounts which—
 - (a) are brought into account by the company as credits or debits for any period for the purposes of this Part, or
 - (b) would be so brought into account but for any provision made by or under this Part.
- (4) Regulations under subsection (1) may amend this Part (apart from this section).
- (5) Regulations under subsection (1) may—
 - (a) make different provision for different cases,
 - (b) make incidental, supplemental, consequential and transitional provision and savings, and
 - (c) make provision subject to an election or other specified circumstances.
- (6) Regulations making consequential provision by virtue of subsection (5)
 - (b) may, in particular, include provision amending a provision of the Corporation Tax Acts.

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(7) Regulations under subsection (1) may apply to a pre-commencement period if they make provision in relation to a relevant accounting change which may or must be adopted, for accounting purposes, for a period of account (or part of a period of account) which coincides with that pre-commencement period.

(8) In this section—

“accounting body” means the International Accounting Standards Board or the Accounting Standards Board, or a successor body to either of those Boards;

“accounting standard” includes any statement of practice, guidance or other similar document;

“pre-commencement period”, in relation to regulations, means an accounting period (or part of an accounting period) which begins before the regulations are made.”

Affirmative resolution procedure

3 In section 1310(4) of CTA 2009 (orders and regulations subject to affirmative resolution of House of Commons), before paragraph (za) insert—

“(zza) section 465A or 701A (powers to make regulations where accounting standards change),”.

Changes to legislation:

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