
STATUTORY INSTRUMENTS

2006 No. 3269

The Finance Act 2002, Schedule 26,
(Parts 2 and 9) (Amendment) Order 2006

Amendment of Part 9 of Schedule 26

Amendment of paragraph 45F of Schedule 26

15.—(1) Amend paragraph 45F(1) (creditor relationships: embedded derivatives which are exactly tracking contracts for differences) as follows.

(2) In sub-paragraph (1) for paragraphs (a) to (c) substitute—

“(a) the derivative contract is a loan-contract embedded derivative to which the company is treated as party by virtue of a creditor relationship of the company (“the original relationship”),

(c) the derivative contract is treated as a contract for differences by virtue of section 94A(3) of the Finance Act 1996.”.

(3) In sub-paragraph (2)(a) for “creditor relationship” substitute “original relationship”.

(4) In sub-paragraph (2)(c) omit sub-paragraph (i).

(5) For sub-paragraph (2)(f) substitute—

“(f) the original asset is not an existing asset.”.

(6) In sub-paragraph (3)(a) for “creditor relationship” substitute “original relationship”.

(7) In sub-paragraph (4), in the definition of “C”, for “the asset which represents the creditor relationship” substitute “the original asset”.

(8) In sub-paragraph (6)—

(a) in paragraph (a)(i) for “the asset representing the creditor relationship” substitute “the original asset”

(b) in paragraph (a)(ii) for “corresponding debtor relationship” substitute “debtor relationship corresponding to the creditor relationship mentioned in sub-paragraph (1)”, and.

(c) in paragraph (b) for “the asset representing the creditor relationship” substitute “the original asset”.

(9) In sub-paragraph (8) for “creditor relationship” substitute “original relationship”.