STATUTORY INSTRUMENTS

2015 No. 1960

CORPORATION TAX

The Exchange Gains and Losses (Bringing into Account Gains or Losses) (Amendment) Regulations 2015

Made - - - -	*3rd December 2015*
Laid before the House of Commons	*7th December 2015*
Coming into force - -	*31st December 2015*

The Treasury make the following Regulations in exercise of the powers conferred by section 151E of the Taxation of Chargeable Gains Act 1992(**a**), paragraph 26(5) of Schedule 23 to the Finance Act 2002(**b**) and sections 328(4) and 606(4) of the Corporation Tax Act 2009(**c**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Exchange Gains and Losses (Bringing into Account Gains or Losses) (Amendment) Regulations 2015 and come into force on 31st December 2015.

(2) These Regulations have effect in relation to accounting periods beginning on or after 1st January 2016.

Amendments to the Exchange Gains and Losses (Bringing into Account Gains or Losses) Regulations 2002

2.—(1) The Exchange Gains and Losses (Bringing into Account Gains or Losses) Regulations 2002(**d**) are amended as follows.

(2) In regulation 4—

(a) in paragraph (1) for "paragraph (4)" substitute "paragraphs (4) and (5)", and

(b) at the end insert—

"(5) Paragraph (1) does not apply so far as the net gain or net loss falls to be brought into account apart from this regulation or regulation 6.".

(3) In regulation 13—

(a) in paragraph (1), at the start insert "subject to paragraph (3A),", and

(b) after paragraph (3) insert—

(**a**) 1992 c. 12; section 151E was inserted by paragraph 370 of Schedule 1 to the Corporation Tax Act 2009 (c. 4).
(**b**) 2002 c. 23; paragraph 26(5) of Schedule 23 was amended by paragraph 541(3)(b) of Schedule 1 to the Corporation Tax Act 2009.
(**c**) 2009 c. 4; sections 328(4) and 606(4) were substituted by paragraphs 20(5) and 68(5), respectively, of Schedule 7 to the Finance (No 2) Act 2015 (c. 33).
(**d**) S.I. 2002/1970; relevant amending instruments are S.I. 2004/3259, 2010/809 and 2014/3325.

"(3A) This regulation does not apply so far as the net gain or net loss falls to be brought into account apart from this regulation.".

Mel Stride
George Hollingbery
3rd December 2015 Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Exchange Gains and Losses (Bringing into Account Gains or Losses) Regulations 2002. Those Regulations provide for exchange gains or losses on loans or derivatives which hedge foreign exchange risk from a company's investment in a foreign enterprise, and which have previously been disregarded for corporation tax purposes, to be brought back into account in specified circumstances. These amendments are consequential to amendments made to Parts 5 and 7 of the Corporation Tax Act 2009 by the Finance (No 2) Act 2015 and ensure that amounts are not brought into account under both provisions in the Corporation Tax Act 2009 and the Regulations.

A Tax Information and Impact Note for the modernisation of the taxation of corporate debt and derivative contracts which covers this instrument was published at Summer Budget 2015 on 8th July 2015 and is available on the HMRC website at: www.gov.uk/government/collections/tax-information-and-impact-notes-tiins. It remains an accurate summary of the impacts that apply to this instrument.

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