
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019,
Cross Heading: Commencement and transitional provisions. (See end of Document for details)

SCHEDULES

SCHEDULE 12

ELIMINATING TAX MISMATCH FOR CERTAIN DEBT

Commencement and transitional provisions

- 3 (1) The amendments made by this Schedule have effect for accounting periods beginning on or after 1 January 2019.
- (2) An accounting period beginning before and ending on or after 1 January 2019 is to be treated for the purposes of any provision made by this Schedule as if so much of the period as falls before that date, and so much of the period as falls on or after that date, were separate accounting periods.
- 4 (1) This paragraph applies in relation to an accounting period of a company beginning on 1 January 2019 (“the 2019 period”) to bring in credits or debits in respect of a loan relationship which is the external loan relationship for the purposes of section 352B of CTA 2009 so far as they would not otherwise be brought into account.
- (2) If there is a difference between—
- (a) the tax-adjusted carrying value of the liability representing the external loan relationship at the end of the accounting period of the company ending on 31 December 2018, and
 - (b) the tax-adjusted carrying value of that liability at the beginning of the 2019 period,
- a credit or debit (as the case may be) of an amount equal to the difference must be brought into account for the purposes of Part 5 of CTA 2009 for the 2019 period in the same way as a credit or debit which is brought into account in determining the company's profit or loss for that period in accordance with generally accepted accounting practice.
- (3) Section 465B of CTA 2009 (meaning of “tax-adjusted carrying value”) applies for the purposes of this paragraph as it applies for the purposes of Part 5 of that Act.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2019, Cross Heading: Commencement and transitional provisions.