
STATUTORY INSTRUMENTS

2004 No. 3256

**The Loan Relationships and Derivative
Contracts (Disregard and Bringing into Account
of Profits and Losses) Regulations 2004**

Profits or losses arising from derivative contracts which are commodity contracts or debt contracts

8.—(1) For the purposes of paragraph 17C(1)(a) of Schedule 26 to the Finance Act 2002 there is prescribed in relation to a commodity contract or a debt contract all credits and debits representing the whole or part of the fair value profit or loss arising to a company in an accounting period if—

- (a) there is a hedging relationship between the contract or part of the contract and a forecast transaction or a firm commitment (“the hedged item”) of the company; and
- (b) the hedged item is not one to which fair value accounting applies for that accounting period.

(2) In this regulation—

“a commodity contract” means a derivative contract whose underlying subject matter is commodities unless the contract is an interest rate contract within the meaning of regulation 9(4); and

“a debt contract” means a derivative contract whose underlying subject matter is an asset or liability representing a loan relationship unless the contract is an interest rate contract within the meaning of regulation 9(4).

(3) Where there is a hedging relationship between part of a commodity contract or part of a debt contract as the case may be and a hedged item, the part of the fair value profit or loss that is prescribed is the part which bears to the whole the proportion which the value of that part of the contract which is in the hedging relationship bears to the value of the whole of the contract.

Commencement Information

II Reg. 8 in force at 1.1.2005, see [reg. 1\(1\)](#)

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Loan Relationships and Derivative Contracts (Disregard and Bringing into Account of Profits and Losses) Regulations 2004. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- reg. 8(1) words substituted by [S.I. 2014/3188 reg. 8\(8\)\(b\)](#)
- reg. 8(1) words substituted by [S.I. 2014/3188 reg. 8\(9\)](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 2(3A) inserted by [S.I. 2011/2912 reg. 3](#)
- reg. 3(1A) omitted by [S.I. 2014/3188 reg. 3](#)
- reg. 3(1ZA) inserted by [S.I. 2011/2912 reg. 4\(1\)](#)
- reg. 3(5) words substituted by [S.I. 2013/2781 reg. 2\(3\)](#)
- reg. 3(5) words substituted by [S.I. 2014/3188 reg. 8\(3\)](#)
- reg. 3(5)(c) words substituted by [2019 c. 1 Sch. 20 para. 9\(3\)](#)
- reg. 3(5)(c) words substituted by [S.I. 2013/3209 reg. 10\(3\)](#)
- reg. 4(1A) inserted by [S.I. 2011/2912 reg. 5\(1\)](#)
- reg. 4(4A) words substituted by [S.I. 2013/2781 reg. 2\(3\)](#)
- reg. 4(4A) words substituted by [S.I. 2014/3188 reg. 8\(5\)](#)
- reg. 4(4A)(c) words substituted by [2019 c. 1 Sch. 20 para. 9\(4\)](#)
- reg. 4(4A)(c) words substituted by [S.I. 2013/3209 reg. 10\(3\)](#)
- reg. 4(4C) inserted by [S.I. 2022/239 reg. 2\(3\)](#)
- reg. 4A added by [S.I. 2005/3374 regs 26](#)
- reg. 4A(7)-(7C) substituted for reg. 4A(7) by [S.I. 2014/3188 reg. 4\(2\)](#)
- reg. 4A(7) words inserted by [S.I. 2011/698 reg. 5\(2\)](#)
- reg. 4A(8)-(8B) omitted by [S.I. 2014/3188 reg. 4\(3\)](#)
- reg. 4A(8A)(8B) inserted by [S.I. 2011/698 reg. 5\(3\)](#)
- reg. 4A(9) second reg. 4A(6) renumbered as reg. 4A(9) by [S.I. 2011/698 reg. 5\(4\)](#)
- reg. 4A(9) words substituted by [S.I. 2014/3188 reg. 8\(6\)](#)
- reg. 4C substituted by [S.I. 2011/698 reg. 6](#)
- reg. 4C(1) words substituted by [S.I. 2014/3188 reg. 5](#)
- reg. 5(4) words substituted by [S.I. 2014/3188 reg. 8\(7\)\(a\)](#)
- reg. 5(4) words substituted by [S.I. 2014/3188 reg. 8\(7\)\(b\)](#)
- reg. 5(4) words substituted by [S.I. 2014/3188 reg. 8\(7\)\(c\)](#)
- reg. 5A inserted by [S.I. 2015/1961 reg. 4](#)
- reg. 5ZA inserted by [S.I. 2022/239 reg. 2\(4\)](#)
- reg. 6-6B substituted for reg. 6 by [S.I. 2014/3188 reg. 6](#)
- reg. 6(5A)(a) word omitted by [S.I. 2013/3209 reg. 10\(4\)\(a\)](#)
- reg. 6(5A)(c) and word inserted by [S.I. 2013/3209 reg. 10\(4\)\(b\)](#)
- reg. 6(5C)(a) word omitted by [S.I. 2013/3209 reg. 10\(4\)\(a\)](#)
- reg. 6(5C)(c) and word inserted by [S.I. 2013/3209 reg. 10\(4\)\(b\)](#)
- reg. 6A(3)(b) words substituted by [S.I. 2015/1961 reg. 5\(a\)](#)
- reg. 6A(4)(b) words substituted by [S.I. 2015/1961 reg. 5\(b\)](#)
- reg. 6A(5)(a) words substituted by [S.I. 2015/1961 reg. 5\(c\)\(i\)](#)
- reg. 6A(5)(b) words inserted by [2020 c. 14 Sch. 6 para. 8\(a\)](#)
- reg. 6A(5)(b) words substituted by [S.I. 2015/1961 reg. 5\(c\)\(ii\)](#)
- reg. 6A(6) inserted by [2020 c. 14 Sch. 6 para. 8\(b\)](#)
- reg. 6B-6D substituted for reg. 6B by [S.I. 2015/1961 reg. 6](#)
- reg. 7(4) omitted by [S.I. 2015/1961 reg. 7\(a\)](#)

- reg. 7(4) words substituted by S.I. 2014/3188 reg. 8(10)
- reg. 7(5) inserted by S.I. 2015/1961 reg. 7(b)
- reg. 7(5) words inserted by S.I. 2022/239 reg. 2(5)(a)
- reg. 7(5) words substituted by S.I. 2022/239 reg. 2(5)(b)
- reg 7A added (with transtl provns) by S.I. 2009/1886 regs 357
- reg. 7A(7A) inserted by S.I. 2022/239 reg. 2(6)
- reg. 9(2A) words inserted by S.I. 2015/1961 reg. 8(a)
- reg. 9(2A) words substituted by S.I. 2014/3188 reg. 8(11)
- reg 9A added by S.I. 2005/3374 regs 210
- reg 9A am by S.I. 2006/3236 reg 5
- reg. 9A cross-heading inserted by S.I. 2014/3188 reg. 7(1)
- reg. 9A omitted by S.I. 2015/1961 reg. 9
- reg. 9A(1) words substituted by S.I. 2014/3188 reg. 8(8)(d)
- reg. 9A(1)(c) substituted by S.I. 2014/3188 reg. 7(2)(a)
- reg. 9A(2) words substituted by S.I. 2014/3188 reg. 8(8)(d)
- reg. 9A(3) words substituted by S.I. 2014/3188 reg. 8(8)(d)
- reg. 9A(3A) substituted by S.I. 2014/3188 reg. 7(2)(b)
- reg. 10(3C) words substituted by S.I. 2014/3188 reg. 8(14)
- reg 10A added by S.I. 2009/1886 regs 36
- regs 1112 added by S.I. 2005/2012 regs 211
- reg 11 am by S.I. 2006/3236 reg 6
- reg. 11(1) words substituted by S.I. 2014/3188 reg. 8(17)(a)
- reg. 11(1A) words substituted by S.I. 2014/3188 reg. 8(17)(a)
- reg. 11(4) words substituted by S.I. 2014/3188 reg. 8(18)
- reg 12 am by S.I. 2006/3236 reg 7
- reg. 12(1) words substituted by S.I. 2014/3188 reg. 8(17)(b)
- reg. 12(1A) words substituted by S.I. 2014/3188 reg. 8(17)(b)
- reg. 12(3) words substituted by S.I. 2014/3188 reg. 8(18)
- reg. 12A inserted by S.I. 2014/3325 reg. 3(2)
- reg 13 added by S.I. 2009/1886 regs 37