
STATUTORY INSTRUMENTS

2005 No. 3374

**The Loan Relationships and Derivative Contracts
(Disregard and Bringing into Account of Profits
and Losses) (Amendment No. 2) Regulations 2005**

Amendment to the Loan Relationships and Derivative Contracts (Disregard and Bringing into Account of Profits and Losses) Regulations 2004

11.—(1) Amend regulation 10 (bringing fair value profits and losses into account on currency and commodity contracts) as follows.

(2) In paragraph (3A) at the beginning insert “Subject to paragraph (3B),”.

(3) After paragraph (3A) insert—

“(3B) Where the disposal mentioned in paragraph (3A)(b) is to a company (“the transferee”) which is a member of the same group of companies, in applying paragraph (3A) (a) to the transferee FVP shall be treated as meaning the fair value profits and losses of the transferor.

(3C) In paragraph (3B), “group of companies” has the meaning given in paragraph 28(6) of Schedule 26 to the Finance Act 2002.”.

(4) In paragraph (10)(a) for “or” in the third place it occurs substitute “and”.