Taxation of certain foreign currencies. FA93 s47(1) and (2) 80.—(1) In this section—

"relevant liability", in relation to an accounting period, means relevant principal—

(a) denominated in a currency other than the currency of the State, and

(b) the interest in respect of which—

(i) is to be treated as a distribution for the purposes of the Corporation Tax Acts, and

(ii) is computed on the basis of a rate which, at any time in that accounting period, exceeds 80 per cent of the specified rate at that time;

"relevant principal" means an amount of money advanced to a borrower by a company, the ordinary trading activities of which include the lending of money, where—

(a) the consideration given by the borrower for that amount is a security within subparagraph (ii), (iii)(I) or (v) of section 130 (2)(d), and

(b) interest or any other distribution is paid out of the assets of the borrower in respect of that security;

"specified rate" means—

(a) the rate known as the 3 month Dublin Interbank Offered Rate, a record of which is maintained by the Central Bank of Ireland, or

(b) where such a record was not maintained, the rate known as the Interbank market 3 month fixed rate as published in the statistical appendices of the bulletins and annual reports of the Central Bank of Ireland.

(2) Notwithstanding any other provision of the Tax Acts or the Capital Gains Tax Acts, a profit or loss from any foreign exchange transaction, being a profit or loss which arises in an accounting period—

(a) in connection with relevant principal which, in relation to the accounting period, is a relevant liability, and

(b) to a company which, in relation to that relevant liability, is the borrower,

shall for the purposes of those Acts be deemed to be a profit or gain or a loss, as the case may be, of the trade carried on by the borrower in the course of which trade the relevant liability is used.