

Changes to legislation: Finance Act 2007, SCHEDULE 14 is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 14

Section 47

SALE AND REPURCHASE OF SECURITIES: MINOR AND CONSEQUENTIAL AMENDMENTS

Income and Corporation Taxes Act 1988 (c. 1)

1 ICTA is amended as follows.

^{F1}₂

Textual Amendments

F1 Sch. 14 paras. 2, 3 repealed (1.4.2010) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

^{F1}₃

Textual Amendments

F1 Sch. 14 paras. 2, 3 repealed (1.4.2010) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

4 Omit sections 730A and 730B (treatment of price differential on sale and repurchase of securities).

Commencement Information

I1 Sch. 14 para. 4 in force at 1.10.2007 for the purposes of the amendments made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), **art. 3**

5 Omit section 730BB (exchange gains and losses on sale and repurchase of securities).

Commencement Information

I2 Sch. 14 para. 5 in force at 1.10.2007 for the purposes of the amendment made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), **art. 3**

^{F2}₆

Textual Amendments

F2 Sch. 14 para. 6 omitted (with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), s. **66(4)(m)**

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- 7 Omit sections 737A to 737C (sale and repurchase of securities: deemed manufactured payments).

Commencement Information

- I3** Sch. 14 para. 7 in force at 1.10.2007 for the purposes of the amendments made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

- 8 Omit section 737E (power to modify sections 730A, 730BB and 737A to 737C).

Commencement Information

- I4** Sch. 14 para. 8 in force at 1.10.2007 for the purposes of the amendment made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

^{F3F4}9

Textual Amendments

- F3** Sch. 14 para. 9 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 2](#) (with [Sch. 2](#))
- F4** Sch. 14 para. 9 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 10](#) (with [Sch. 9 paras. 1-9, 22](#))

^{F5}10

Textual Amendments

- F5** Sch. 14 para. 10 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 1](#) (with [Sch. 9 paras. 1-9, 22](#))

Taxation of Chargeable Gains Act 1992 (c. 12)

- 11 TCGA 1992 is amended as follows.
- 12 (1) Section 263A (agreements for sale and repurchase of securities) is amended as follows.
- (2) In subsection (1), for the words from the beginning to “were different” substitute “Subject to subsections (3) and (4) below, in any case falling within section 607(1) of ITA 2007 (treatment of price differences under repos)”.
- (3) After that subsection insert—
- “(1A) If, at any time after the acquisition mentioned in subsection (1)(a) above, it becomes apparent that the interim holder will not dispose of the securities to the repurchaser, the interim holder shall be treated for the purposes of capital gains tax as acquiring them at that time for a consideration equal to their market value at that time.
- (1B) If, at any time after the disposal mentioned in subsection (1)(b) above, it becomes apparent that the original owner will not acquire the securities as

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the repurchaser, the original owner shall be treated for the purposes of capital gains tax as disposing of them at that time for a consideration equal to their market value at that time.”

(4) Omit subsection (2).

(5) For subsections (5) and (6) substitute—

“(5) Expressions used in this section and section 607 of ITA 2007 have the same meaning in this section as in that section.

(6) This section does not apply for the purposes of corporation tax in respect of chargeable gains.”

(6) The heading accordingly becomes “ **Agreements for sale and repurchase of securities: capital gains tax** ”.

Commencement Information

I5 Sch. 14 para. 12 in force at 1.10.2007 for the purposes of the amendments made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

13 (1) For paragraph 12 of Schedule 7AC substitute—

“12 (1) This paragraph applies where—

- (a) a company (“the borrower”) which holds shares in another company sells the shares under an arrangement by reference to which the borrower has a debtor repo, and
- (b) by virtue of paragraph 6 of Schedule 13 to the Finance Act 2007 (sale and repurchase of securities) the sale is ignored for the purposes of corporation tax in respect of chargeable gains.

(2) For the period for which the arrangement is in force—

- (a) the borrower shall be treated for the purposes of this Part as continuing to hold the shares and accordingly as retaining its entitlement to any rights attaching to them, and
- (b) the lender shall be treated for those purposes as not holding the shares and as not becoming entitled to any such rights.

This is subject to the following qualification.

(3) If at any time before the end of that period the borrower, or another member of the same group as the borrower, becomes the holder—

- (a) of any of the shares, or
- (b) of any shares directly or indirectly representing any of them,

sub-paragraph (2) does not apply after that time in relation to those shares or, as the case may be, the shares represented by them.

(4) Expressions used in this paragraph and in Schedule 13 to the Finance Act 2007 have the same meaning in this paragraph as in that Schedule.”

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Commencement Information

I6 Sch. 14 para. 13 in force at 1.10.2007 for the purposes of the amendments made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

Finance Act 1996 (c. 8)

F6¹⁴

Textual Amendments

F6 Sch. 14 paras. 14-18 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F6¹⁵

Textual Amendments

F6 Sch. 14 paras. 14-18 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F6¹⁶

Textual Amendments

F6 Sch. 14 paras. 14-18 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F6¹⁷

Textual Amendments

F6 Sch. 14 paras. 14-18 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F6¹⁸

Textual Amendments

F6 Sch. 14 paras. 14-18 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Finance Act 1994 (c. 9)

19 In section 229(1)(ca) of FA 1994 (Lloyd's corporate members: regulations), for sub-paragraph (ii) substitute—

“(ii) arrangements involving repos (within the meaning of paragraph 15 of Schedule 13 to the Finance Act 2007)

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or redemption arrangements (within the meaning of that paragraph);”.

Commencement Information

I7 Sch. 14 para. 19 in force at 1.10.2007 for the purposes of the amendment made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

Finance Act 2006 (c. 25)

20 In section 139 of FA 2006 (Real Estate Investment Trusts: manufactured dividends), omit subsection (5).

Commencement Information

I8 Sch. 14 para. 20 in force at 1.10.2007 for the purposes of the amendment made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

Income Tax Act 2007 (c. 3)

21 ITA 2007 is amended as follows.

^{F7}22

Textual Amendments

F7 Sch. 14 paras. 22, 23 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 14](#)

^{F7}23

Textual Amendments

F7 Sch. 14 paras. 22, 23 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 14](#)

24 In section 886(2) (interest paid by recognised clearing houses etc), after “repos” insert “, or paragraph 5 of Schedule 13 to FA 2007 (relief for borrower for finance charges in case of debtor repos and debtor quasi-repos), ”.

Commencement Information

I9 Sch. 14 para. 24 in force at 1.10.2007 for the purposes of the amendment made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

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

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

- s. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)