

TAXATION (INTERNATIONAL AND OTHER PROVISIONS) ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 9: Transitionals and savings etc

Part 12: Factoring of income etc

Application of section 809BZN of ITA 2007 (finance arrangements: exceptions)

1446. Section 809BZN of ITA is inserted by Schedule 5. It is based on section 774E of ICTA 1988.
1447. *Sub-paragraph (1)* of this paragraph is a saving for the second sentence of section 774E(1) of ICTA 1988, which was repealed by paragraph 9(3)(b) of Schedule 25 to FA 2009. This saving applies in relation to transfers before 22 April 2009 in accounting periods which begin before that date and end on or after 1 April 2010.
1448. Section 774E(4)(b) of ICTA originally read as follows:
- “(4) Section 774B or 774D does not apply so far as the structured finance arrangement is an arrangement in relation to which –
- (b) paragraph 15 of Schedule 9 to the Finance Act 1996 (repo transactions and stock-lending) applies, or ...
1449. Paragraph 9 of Schedule 14 to FA 2007 substituted a new section 774E(4)(b) reading as follows:
- “(b) Schedule 13 to the Finance Act 2007 (sale and repurchase of securities) applies,
... ”
1450. In that substituted version, CTA 2009 inserted before “applies” the words “or Chapter 10 of Part 6 of CTA 2009 (repos).”
1451. The amendment made by paragraph 9 of Schedule 14 to FA 2007 applies with effect in relation to an arrangement that comes into force on or after 1 October 2007: see article 3 of the Finance Act 2007 (Schedules 13 and 14) Order 2007 ([SI 2007/2483](#)).
1452. Furthermore, because of article 5 of that instrument, the pre-FA 2007 version of paragraph 15 of Schedule 9 to FA 1996 is still in force in relation to arrangements which would have been within Schedule 13 to FA 2007 but for having come into force before 1 October 2007.
1453. Section 774E(4)(b) of ICTA, as amended by FA 2007 and CTA 2009, is rewritten to new section 809BZN(5)(b) of ITA and section 771(5)(b) of CTA 2010. *Sub-paragraph (2)* of this paragraph accordingly makes transitional provision for arrangements which came into force before 1 October 2007. See also paragraph 78 of Schedule 2 to CTA 2009 for modifications with which paragraph 15 of Schedule 9 to

*These notes refer to the Taxation (International and Other Provisions)
Act 2010 (c.8) which received Royal Assent on 18 March 2010*

FA 1996 (as it stood before the substitution made by paragraph 18 of Schedule 14 to
FA 2007) has effect.