

*Status: Point in time view as at 01/04/2010.*

*Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Part 10. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 8

#### MINOR AND CONSEQUENTIAL AMENDMENTS

#### PART 10

##### FACTORING OF INCOME ETC

###### *Income and Corporation Taxes Act 1988 (c. 1)*

- 264 ICTA is amended as follows.
- 265 Omit sections 774A to 774G (factoring of income receipts etc).
- 266 Omit section 786 (transactions associated with loans or credit).

###### *Taxation of Chargeable Gains Act 1992 (c. 12)*

- 267 TCGA 1992 is amended as follows.
- 268 (1) Amend section 263E (structured finance arrangements) as follows.
- (2) In subsection (1)(a) for “section 774B of the Taxes Act” substitute “ section 809BZB or 809BZC of ITA 2007 ”.
- (3) In subsection (6) in the definition of “the borrower” for “section 774A of the Taxes Act” substitute “ the defining section ”.
- (4) In subsection (6) after the definition of “the borrower” insert—
- ““the defining section” in relation to a structured finance arrangement—
- (a) means section 809BZA of ITA 2007 if it is section 809BZB or 809BZC of ITA 2007 that applies in relation to the arrangement, and
- (b) means section 758 of CTA 2010 if it is section 759 or 760 of CTA 2010 that applies in relation to the arrangement,”.
- (5) In subsection (6) in the definition of “the lender” for “that section” substitute “ the defining section ”.
- (6) In subsection (6) in the definition of “security” for “subsection (2)(c) and (d) of that section” substitute “ subsection (2)(b) and (c) of the defining section ”.

###### *Income Tax (Trading and Other Income) Act 2005 (c. 5)*

- 269 ITTOIA 2005 is amended as follows.
- 270 After section 281 insert—

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**“281A Sums to which sections 277 to 281 do not apply**

- (1) This section applies if a grant of a lease constitutes a disposal of an asset for the purposes of section 809BZA(2)(b) or 809BZF(2)(a) of ITA 2007 (disposals under finance arrangements).
- (2) Sections 277 to 281 do not apply in relation to a premium paid in respect of the grant.”

*Income Tax Act 2007 (c. 3)*

- 271 ITA 2007 is amended as follows.
- 272 In section 2(13) (overview of Part 13) omit the “or” after paragraph (e), and after paragraph (f) insert—
- “(g) finance arrangements (Chapter 5B),  
(h) loan or credit transactions (Chapter 5C).”
- 273 For section 809AZE (transfers of income streams: exception for transfer by way of security) substitute—

**“809AZE Exception: transfer by way of security**

- (1) This Chapter does not apply if—
  - (a) the consideration for the transfer is the advance under a type 1 finance arrangement, and
  - (b) the transferor is, or is a member of a partnership which is, the borrower in relation to the arrangement.
- (2) This Chapter does not apply if—
  - (a) the consideration for the transfer is the advance under a type 2 finance arrangement or a type 3 finance arrangement, and
  - (b) the transferor is a member of the partnership which receives that advance under the arrangement.
- (3) In this section—

“type 1 finance arrangement” has the meaning given for the purposes of Chapter 5B by section 809BZA,  
“type 2 finance arrangement” has the meaning given for the purposes of Chapter 5B by section 809BZF, and  
“type 3 finance arrangement” has the meaning given for the purposes of Chapter 5B by section 809BZJ.”

- 274 (1) Amend section 1016(2) (table of provisions to which section applies) as follows.
- (2) In Part 2 of the table at the appropriate place insert—

“Section 809CZC(2)	Income transferred under a loan or credit transaction”
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- (3) In Part 3 of the table omit the entry for section 786(5)(a) of ICTA.
- 275 In Schedule 4 (index of defined expressions) at the appropriate places insert—

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“accounts (in Chapter 5B of Part 13)	section 809BZQ”
“arrangements (in Chapter 5B of Part 13)	section 809BZR”
“disposal of an asset (in Chapter 5B of Part 13)	section 809BZS(3)”
“payments in respect of an asset (in Chapter 5B of Part 13)	section 809BZS(4)”
“person involved in a relevant change (in Chapter 5B of Part 13)	section 809BZG(5)”
“person receiving an asset (in Chapter 5B of Part 13)	section 809BZS(2)”
“relevant change in relation to a partnership (in Chapter 5B of Part 13)	section 809BZG”
“type 1 finance arrangement (in Chapter 5B of Part 13)	section 809BZA”
“type 2 finance arrangement (in Chapter 5B of Part 13)	section 809BZF”
“type 3 finance arrangement (in Chapter 5B of Part 13)	section 809BZJ”.

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