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STATUTORY INSTRUMENTS

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**2019 No. 689**

**The Taxes (Amendments) (EU Exit) Regulations 2019**

**PART 2**

**Amendments to primary legislation**

**Income Tax Act 2007**

**15.**—(1) The Income Tax Act 2007(1) is amended as follows.

(2) For section 274(4)(2) substitute—

“(4) In this section “regulated market” means—

- (a) a UK regulated market within the meaning given by Article 2.1(13A) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments,
- (b) an EU regulated market within the meaning given by Article 2.1(13B) of that Regulation, and
- (c) a regulated market within the meaning given by Article 2.1(13) of that Regulation which is authorised and functions regularly and in accordance with Part 3 of the Financial Services (Markets in Financial Instruments) Act 2018 of Gibraltar.”

(3) In section 392(4)(3), in paragraph (a) of the definition of “close company” omit “other than the United Kingdom”.

(4) In section 393A(7)(4), in paragraph (a) of the definition of “close company” omit “other than the United Kingdom”.

(5) In section 397(2)(a)(5) for “another” substitute “an”.

(6) In section 559(1)(a) after “by” insert “Her Majesty’s Government in the United Kingdom or by”.

(7) In section 564G(6)—

(a) in subsection (1)(h) for “an EEA-regulated” substitute “a regulated”;

(b) in subsection (2)—

(i) at the end of paragraph (h) insert “and”;

(ii) omit paragraphs (j) and (k);

(c) after subsection (2) insert—

“(2A) In subsection (1)—

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(1) [2007 c. 3](#).

(2) Section 274(4) was inserted by paragraph 2 of Schedule 2 to Finance (No. 3) Act [2010 \(c. 33\)](#) and amended by [S.I. 2017/701](#).

(3) Section 392(4) was relevantly amended by section 13(2)(a) of the Finance Act [2014 \(c. 26\)](#).

(4) Section 393A was inserted by section 13(3) of the Finance Act 2014.

(5) Section 397(2)(a) was substituted by section 14(1) of the Finance Act 2014.

(6) Section 564G was inserted by paragraph 8 of Schedule 2 to the Taxation (International and Other Provisions) Act 2010 and amended by section 34 of the Finance Act 2018.

“regulated recognised stock exchange” means a recognised stock exchange that is regulated in the United Kingdom, the European Economic Area or Gibraltar;

“multilateral trading facility” means—

- (a) a UK multilateral trading facility within the meaning given by Article 2.1(14A) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments,
- (b) an EU multilateral trading facility within the meaning given by Article 2.1(14B) of that Regulation, and
- (c) a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments (in the system and in accordance with non-discretionary rules) in a way which results in a contract in accordance with Part 2 of the Financial Services (Markets in Financial Instruments) Act 2018 of Gibraltar,

and in paragraph (c) “multilateral system”, “investment firm”, “market operator” and “financial instrument” have the same meanings as given by Articles 2.1(11), 2.1A, 2.1(10) and 2.1(9) respectively of that Regulation.”.

(8) In section 837B(7)—

(a) in subsection (2)—

- (i) omit “, or” at the end of paragraph (a);
- (ii) omit paragraph (b);

(b) omit subsection (6).

(9) In section 842—

- (a) in the heading, at the beginning insert “UK Economic Interest Groupings(8) and”;
- (b) in subsection (1) after “rules about” insert “UK Economic Interest Groupings and”;
- (c) for subsection (5) substitute—

“(5) “European Economic Interest Grouping” means a grouping registered in a member State and formed in pursuance of [Council Regulation \(EEC\) No. 2137/85](#) of 25 July 1985 on the European Economic Interest Grouping(9) as it has effect in EU law.”.

(10) In section 853 omit subsection (5).

(11) In section 987(10)—

- (a) in subsection (1)(b) for “an EEA-regulated” substitute “a regulated”;
- (b) for subsection (2) substitute—

“(2) For the purposes of this section—

- (a) “regulated recognised stock exchange” means a recognised stock exchange that is regulated in the United Kingdom, the European Economic Area or Gibraltar, and

(b) “multilateral trading facility” means—

- (i) a UK multilateral trading facility within the meaning given by Article 2.1(14A) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments,

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(7) Section 837B was inserted by paragraph 71 of Schedule 7 to the Taxation (International and Other Provisions) Act 2010 (c. 8).

(8) See the European Economic Interest Grouping (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1299).

(9) OJ L No. 199, 31.07.1985, p. 1.

(10) Section 987 was amended by section 34 of the Finance Act 2018 (c. 3).

- (ii) an EU multilateral trading facility within the meaning given by Article 2.1(14B) of that Regulation, and
- (iii) a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments (in the system and in accordance with non-discretionary rules) in a way which results in a contract in accordance with Part 2 of the Financial Services (Markets in Financial Instruments) Act 2018 of Gibraltar<sup>(11)</sup>,

and in sub-paragraph (iii) “multilateral system”, “investment firm”, “market operator” and “financial instrument” have the same meanings as given by Articles 2.1(11), 2.1A, 2.1(10) and 2.1(9) respectively of that Regulation.”.

(12) In section 991(2) omit paragraph (c).

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**Commencement Information**

- II** [Reg. 15](#) in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, Sch. 5 para. 1(1)), see [reg. 1](#)

**Changes to legislation:**

There are currently no known outstanding effects for the The Taxes (Amendments) (EU Exit) Regulations 2019, Section 15.