

*Status: Point in time view as at 12/02/2015.*

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## SCHEDULES

### SCHEDULE 26

Section 109

#### MEANING OF “RECOGNISED STOCK EXCHANGE” ETC

*Meaning of “recognised stock exchange” etc in Tax Acts and TCGA 1992*

1 For section 1005 of ITA 2007 substitute—

#### “1005 Meaning of “recognised stock exchange” etc

- (1) In the Income Tax Acts “recognised stock exchange” means—
  - (a) any market of a recognised investment exchange which is for the time being designated as a recognised stock exchange for the purposes of this section by an order made by the Commissioners for Her Majesty's Revenue and Customs, and
  - (b) any market outside the United Kingdom which is for the time being so designated.
- (2) An order under subsection (1) may—
  - (a) designate a market by name or by reference to any class or description of market (including, in the case of a market outside the United Kingdom, one framed by reference to any authority or approval given in a country outside the United Kingdom),
  - (b) contain incidental, supplemental, consequential and transitional provision and savings, and
  - (c) vary or revoke a previous order under that subsection.
- (3) References in the Income Tax Acts to securities which are listed on a recognised stock exchange are to securities—
  - (a) which are admitted to trading on that exchange, and
  - (b) which are included in the official UK list or are officially listed in a qualifying country outside the United Kingdom in accordance with provisions corresponding to those generally applicable in EEA states.
- (4) For this purpose “qualifying country outside the United Kingdom” means any country outside the United Kingdom in which there is a recognised stock exchange.
- (5) References in the Income Tax Acts to securities which are included in the official UK list are to securities which are included in the official list (within the meaning of Part 6 of FISMA 2000) in accordance with the provisions of that Part.
- (6) In this section—

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“recognised investment exchange” has the same meaning as in FISMA 2000 (see section 285), and

“securities” includes shares and stock.”

<sup>F12</sup> .....

**Textual Amendments**

**F1** Sch. 26 para. 2 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

3 In section 288 of TCGA 1992 (interpretation), after subsection (5) insert—

“(5A) References in this Act to shares or securities which are listed on a recognised stock exchange shall be construed in accordance with subsections (3) and (4) of section 1005 of ITA 2007.

(5B) References in this Act to shares or securities which are included in the official UK list shall be construed in accordance with subsection (5) of that section.”

*Valuation of shares listed on recognised stock exchange for purposes of TCGA 1992 etc*

4 (1) In section 272 of TCGA 1992 (valuation: general), for subsections (3) and (4) substitute—

“(3) The Treasury may make regulations as to the manner for determining for the purposes of this Act—

- (a) the market value at any time of shares or securities which are included in the official UK list, and
- (b) the market value at any time of shares or securities which are listed on a recognised stock exchange outside the United Kingdom.

(4) The regulations may—

- (a) make different provision for different cases, and
- (b) contain incidental, supplemental, consequential and transitional provision and savings.”

(2) The amendment made by sub-paragraph (1) has effect where the date of valuation falls on or after such day as may be appointed by the Treasury by order; and different days may be appointed for different purposes.

5 (1) In ITTOIA 2005, for sections 450 and 451 substitute—

**“450 Market value of strips etc**

(1) The Treasury may make regulations as to the manner for determining—

- (a) the market value at any time of a strip for the purposes of this Chapter, and
- (b) the market value at any time of a security exchanged for strips of that security for the purposes of section 445(1).

(2) The regulations may—

- (a) make different provision for different cases, and

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- (b) contain incidental, supplemental, consequential and transitional provision and savings.”
- (2) The amendment made by sub-paragraph (1) has effect where the date of valuation falls on or after such day as may be appointed by the Treasury by order; and different days may be appointed for different purposes.

*Minor and consequential amendments*

- 6 In section 90(8) of FA 1986 (exceptions to the charge to SDRT), for paragraph (b) substitute—
- “(b) references to anything listed on a recognised stock exchange shall be construed in accordance with section 1005 of the Income Tax Act 2007;”.
- 7 (1) ICTA is amended as follows.
- F<sup>2</sup>(2) .....
- (3) In section 312(1E)(a) (interpretation of Chapter 3 of Part 7), for “section 841” substitute “ section 1005(1)(b) of ITA 2007 ”.
- F<sup>3</sup>(4) .....
- F<sup>3</sup>(5) .....
- F<sup>3</sup>(6) .....
- F<sup>3</sup>(7) .....
- F<sup>3</sup>(8) .....
- F<sup>3</sup>(9) .....
- (10) In paragraph 5 of Schedule 20 (charities: qualifying investments and loans), omit “, or which are dealt in on the Unlisted Securities Market”.

**Textual Amendments**

- F2** Sch. 26 para. 7(2) 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. 1](#) (with [Sch. 2](#))
- F3** Sch. 26 para. 7(4)-(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. 1](#) (with [Sch. 2](#))

- 8 (1) TCGA 1992 is amended as follows.
- (2) In section 130(1)(a) (composite new holdings)—
- (a) for “had quoted market values” substitute “ were listed ”, and
- (b) omit “in the United Kingdom or elsewhere”.
- (3) In section 144(8)(a) (options and forfeited deposits), for “quoted on” substitute “ listed on ”.
- (4) In section 146(4)(b) (options: application of rules as to wasting assets), omit “in the United Kingdom or elsewhere”.

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- (5) In section 273(2) (unquoted shares and securities), for “quoted” substitute “ listed ”.
- (6) Omit section 285 (recognised investment exchanges).
- 9 In paragraph 4(2C)(b) of Schedule 26 to FA 2002 (derivative contracts: contracts excluded by virtue of their underlying subject matter), for “quoted” substitute “ listed ”.
- 10 (1) ITEPA 2003 (persons to whom section 421J applies) is amended as follows.
- (2) In section 421L (persons to whom section 421J applies)—
- (a) in paragraph (b) of subsection (6), for “or dealt in on a recognised stock exchange” substitute “ on a recognised stock exchange or dealt in on any designated market in the United Kingdom ”, and
- (b) after that subsection insert—
- “(7) In subsection (6)(b) “designated” means designated by an order made by the Commissioners for Her Majesty's Revenue and Customs for the purposes of that provision.
- (8) An order under subsection (7) may—
- (a) designate a market by name or by reference to any class or description of market, and
- (b) vary or revoke a previous order under that subsection.”
- (3) In section 717(2) (orders and regulations made by Treasury or Commissioners), insert at the end “ or section 421L(7) (persons to whom section 421J applies: order in relation to excluded securities). ”
- 11 (1) ITTOIA 2005 is amended as follows.
- (2) In section 443(2) (application of Chapter 8 of Part 4 to strips of government securities)—
- (a) at the end of paragraph (e) insert “ and ”, and
- (b) omit paragraph (g).
- (3) In section 460(3) (minor definitions in Chapter 8 of Part 4), omit “or 451”.
- 12 (1) ITA 2007 is amended as follows.
- (2) In section 143(2)(a) (losses on disposal of shares: the unquoted status requirement), for “1005” substitute “ 1005(1)(b) ”.
- (3) In section 151(2) (interpretation of Chapter 6 of Part 4), for “the Stock Exchange” substitute “ a recognised stock exchange ”.
- (4) In section 184 (EIS: the unquoted status requirement)—
- (a) in subsection (3)(a), for the words from “the Stock Exchange” to the end substitute “ a recognised stock exchange, ”, and
- (b) in subsection (6)(a), for “1005” substitute “ 1005(1)(b) ”.
- (5) In section 257(5) (minor definitions in Part 5), for “the Stock Exchange” substitute “ a recognised stock exchange ”.
- (6) In section 274(2) (requirements for the giving of VCT approval), for “listed throughout the relevant period in the Official List of the Stock Exchange” substitute “ included in the official UK list throughout the relevant period ”.

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- (7) In section 295(3) (VCTs: the unquoted status requirement)—
- (a) in paragraph (a), for the words from “the Stock Exchange” to the end substitute “ a recognised stock exchange, ”, and
  - (b) in paragraph (c), omit “on the Unlisted Securities Market or dealt in”.
- (8) In section 382(2) (minor definitions in Part 7), for “the Stock Exchange” substitute “ a recognised stock exchange ”.
- (9) In section 397(6) (eligibility requirements for interest on loans within section 396), in the definition of “unquoted company”, for “listed in the Official List of the Stock Exchange” substitute “ included in the official UK list ”.
- (10) In section 432 (gifts of shares, securities and real property to charities etc: meaning of “qualifying investment”)—
- (a) in subsection (1)(a), for “or dealt in on a recognised stock exchange” substitute “ on a recognised stock exchange or dealt in on any designated market in the United Kingdom ”,
  - (b) in subsection (2), after “In this section—” insert—
    - ““designated” means designated by an order made by the Commissioners for Her Majesty's Revenue and Customs for the purposes of subsection (1)(a),”, and
  - (c) after that subsection insert—
    - “(3) An order under subsection (2) may—
      - (a) designate a market by name or by reference to any class or description of market, and
      - (b) vary or revoke a previous order under that subsection.”
- <sup>F4</sup>(11) .....
- (12) In section 989 (list of Income Tax Acts definitions), after the definition of “settlor” insert—
- ““shares, stock or other securities included in the official UK list” is to be read in accordance with section 1005,
  - “shares, stock or other securities listed on a recognised stock exchange” is to be read in accordance with section 1005.”.
- (13) Omit section 1010 (application of Income Tax Acts to recognised investment exchanges).
- (14) In section 1014(2)(g) (orders and regulations)—
- (a) after sub-paragraph (ii) (but before the “and”) insert—
    - “(ia) section 432(2) (gifts of shares, securities and real property to charities etc: meaning of “qualifying investment”),”, and
  - (b) in sub-paragraph (iii), for “1005(1)(b)” substitute “ 1005(1) ”.
- (15) In Schedule 4 (index of defined expressions), after the entry relating to “share loss relief (in Chapter 6 of Part 4)” insert—

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“shares, stock or other securities included in      section 1005  
the official UK list

shares, stock or other securities listed on a      section 1005”  
recognised stock exchange

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**Textual Amendments**

- F4** Sch. 26 para. 12(11) omitted (with effect in accordance with Sch. 12 para. 15(1) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\)](#), [Sch. 12 para. 13](#)

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