



Income Tax Act 2007

2007 CHAPTER 3

PART 11

MANUFACTURED PAYMENTS AND REPOS

CHAPTER 3

TAX CREDITS: STOCK LENDING ARRANGEMENTS AND REPOS

Repos

594 No tax credits for original owner under repo

- (1) This section applies if—
- there is a repo in respect of UK shares [^{F1}or overseas shares] ,
 - under the repo, the original owner has transferred the ^{F2}... shares to the interim holder,
 - a qualifying distribution is made,
 - the qualifying distribution is a manufactured dividend [^{F3}or manufactured overseas dividend] paid under the repo in respect of the ^{F4}... shares by the interim holder to the original owner, and
 - the repo is not such that the actual dividend which the manufactured dividend [^{F5}or manufactured overseas dividend] represents is receivable by a person other than the original owner.
- (2) The original owner is not entitled to a tax credit under section 397(1) [^{F6}or 397A(2)] of ITTOIA 2005 (tax credits for qualifying distributions) in respect of the distribution.
- (3) If the original owner is UK resident, section 399(2) of ITTOIA 2005 (recipients of qualifying distributions treated as having paid income tax at dividend ordinary rate on them) does not apply in respect of the distribution.

Status: Point in time view as at 21/07/2008. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 594. (See end of Document for details)

Textual Amendments

- F1** Words in s. 594(1)(a) inserted (21.7.2008 with effect in accordance with s. 34(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 12 para. 29\(2\)\(a\)](#)
- F2** Word in s. 594(1)(b) omitted (21.7.2008 with effect in accordance with s. 34(2) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 12 para. 29\(2\)\(b\)](#)
- F3** Words in s. 594(1)(d) inserted (21.7.2008 with effect in accordance with s. 34(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 12 para. 29\(2\)\(c\)\(i\)](#)
- F4** Word in s. 594(1)(d) omitted (21.7.2008 with effect in accordance with s. 34(2) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 12 para. 29\(2\)\(c\)\(ii\)](#)
- F5** Words in s. 594(1)(e) inserted (21.7.2008 with effect in accordance with s. 34(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 12 para. 29\(2\)\(d\)](#)
- F6** Words in s. 594(2) inserted (21.7.2008 with effect in accordance with s. 34(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 12 para. 29\(3\)](#)

Status:

Point in time view as at 21/07/2008. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 594.