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STATUTORY INSTRUMENTS

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**2007 No. 2485**

**The Sale and Repurchase of Securities (Modification of Schedule 13 to the Finance Act 2007) Regulations 2007**

**Redemption arrangements: modifications of Schedule 13**

3.—(1) In a case involving redemption arrangements—

- (a) paragraphs 2 (meaning of debtor repo) and 3 (meaning of debtor quasi-repo) of Schedule 13 apply with the modifications specified in paragraphs (2) and (3), and
- (b) paragraphs 7 (meaning of creditor repo) and 8 (meaning of creditor quasi-repo) of Schedule 13 apply with the modifications specified in paragraphs (4) and (5).

(2) Any reference in paragraphs 2 and 3 to an arrangement that makes provision conferring a right or imposing an obligation on the borrower to buy securities at any subsequent time shall be treated as if it included a reference to an arrangement under which the borrower has the right or obligation to receive an amount equivalent to the proceeds of redemption of the securities.

(3) Any reference in paragraphs 2 and 3 to the buying of securities extinguishing the financial liability in respect of the advance recorded in the accounts of the borrower in accordance with generally accepted accounting practice shall be treated as if it included a reference to a payment of an amount equivalent to the proceeds of redemption of the securities extinguishing the financial liability in respect of the advance recorded in the accounts of the borrower in accordance with generally accepted accounting practice.

(4) Any reference in paragraphs 7 and 8 to an arrangement that makes provision conferring a right or imposing an obligation on the lender to sell securities at any subsequent time shall be treated as if it included a reference to an arrangement under which the lender has the right or obligation to pay the proceeds of redemption of the securities to any person.

(5) Any reference in paragraphs 7 and 8 to the subsequent sale of securities extinguishing the financial asset in respect of the advance recorded in the accounts of the lender in accordance with generally accepted accounting practice shall be treated as if it included a reference to the payment of an amount equivalent to the proceeds of redemption of the securities extinguishing the financial asset in respect of the advance recorded in the accounts of the lender in accordance with generally accepted accounting practice.