



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XVII

TAX AVOIDANCE

CHAPTER II

TRANSFERS OF SECURITIES

Other transfers of securities

729 Sale and repurchase of securities.

^{F1}

Textual Amendments

^{F1} S. 729 repealed (with effect in accordance with s. 159(1)(10) of the repealing Act) by [Finance Act 1996](#) (c. 8), s. 159(1), [Sch. 41 Pt. 5\(21\)](#), Note; [S.I. 1996/2646](#), [art. 2](#)

730 [^{F2}Transfers of rights to receive distributions in respect of shares]

^{M1}(1) Where in any chargeable period the owner of any [^{F3}shares] (“the owner”) sells or transfers the right to receive any [^{F4}distribution] payable (whether before or after the sale or transfer) in respect of the [^{F3}shares] without selling or transferring the [^{F3}shares], then, for all the purposes of the Tax Acts, that [^{F4}distribution], whether it would or would not be chargeable to tax apart from the provisions of this section—

- (a) shall be [^{F5}treated as] the income of the owner or, in a case where the owner is not the beneficial owner of the [^{F3}shares] and some other person (“a beneficiary”) is beneficially entitled to the income arising from the [^{F3}shares], the income of the beneficiary, and

Status: Point in time view as at 01/04/2009.

Changes to legislation: Income and Corporation Taxes Act 1988, Cross Heading: Other transfers of securities is up to date with all changes known to be in force on or before 18 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(b) shall be [^{F6}treated as] the income of the owner or beneficiary for that chargeable period, ^{F7} . . .

(c) ^{F7}

[^{F8}(2) This section does not have effect in relation to a sale or transfer if the proceeds of the sale or transfer are chargeable to tax.]

[^{F9}(2A) ^{F10}]

[^{F11}(3) ^{F12}]

(4) Where—

(a) the [^{F3}shares] are of such a character that the [^{F4}distribution] payable in respect thereof may be paid without deduction of income tax, and

(b) the owner or beneficiary does not show that the proceeds of any sale or other realisation of the right to receive the [^{F4}distribution] which is deemed to be his income by virtue of this section have been charged to [^{F13}income tax under Chapter 13 of Part 4 of ITTOIA 2005 (sales of foreign dividend coupons)],

[^{F14}then that [^{F15}distribution] shall be charged to income tax.

(4A) The income tax chargeable by virtue of subsection (4) above shall, subject to subsection (5) below, be charged on the full amount of the [^{F16}distribution] in the year of assessment.

(4B) The person liable for any tax chargeable by virtue of subsection (4) above is the owner or beneficiary, but he shall be entitled to credit for any tax which the [^{F17}distribution] is shown to have borne.]

(5) [^{F18}But], in any case where, if the [^{F4}distribution] had been [^{F19}relevant foreign income], the computation of tax would have been made by reference to the amount received in the United Kingdom, [^{F20}the income tax chargeable by virtue of subsection (4) above] shall be computed on the full amount of the sums which have been or will be received in the United Kingdom in the year of assessment or any subsequent year in which the owner remains the owner of the [^{F3}shares].

(6) In relation to corporation tax, subsections (4) and (5) above shall not apply but, subject to the provisions of the Tax Acts about distributions, the owner or beneficiary shall [^{F21}be chargeable, under the charge to corporation tax on income, in respect of any distribution which is deemed to be his income by virtue of this section,] unless he shows that the proceeds of any sale or other realisation of the right to receive that [^{F4}distribution] have been charged to tax [^{F22}by virtue of [^{F23}Chapter 6 of Part 10 of CTA 2009 (sale of foreign dividend coupons)]]].

[^{F24}(7) In this section—

“distribution”, in relation to shares in a company,—

(a) has the same meaning as it has in the Corporation Tax Acts (see section 209), but

(b) also includes any amount that would be a distribution if the company paying it were resident in the United Kingdom;

“shares” means shares in a company.]

(8) The Board may by notice require any person to furnish them within such time as they may direct (not being less than 28 days), in respect of all [^{F3}shares] of which he was the owner at any time during the period specified in the notice, with such particulars as they consider necessary for the purposes of this section ^{F25}

Status: Point in time view as at 01/04/2009.

Changes to legislation: Income and Corporation Taxes Act 1988, Cross Heading: Other transfers of securities is up to date with all changes known to be in force on or before 18 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

- F2** S. 730 heading substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by virtue of Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(12)**
- F3** Words in s. 730 substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(2)(b)**
- F4** Words in s. 730 substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(2)(a)**
- F5** Words in s. 730(1)(a) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(3)(a)**
- F6** Words in s. 730(1)(b) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(3)(b)**
- F7** S. 730(1)(c) repealed (with effect in accordance with Sch. 7 para. 2(13) of the repealing Act) by Finance (No. 2) Act 2005 (c. 22), Sch. 7 para. 2(3)(c), **Sch. 11 Pt. 2(8)**, Note
- F8** S. 730(2) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(4)**
- F9** S. 730(2A) inserted (with effect in accordance with s. 82(2) of the amending Act) by Finance Act 2002 (c. 23), **Sch. 25 para. 51**
- F10** S. 730(2A) repealed (with effect in accordance with Sch. 7 para. 2(13) of the repealing Act) by Finance (No. 2) Act 2005 (c. 22), Sch. 7 para. 2(5), **Sch. 11 Pt. 2(8)**, Note
- F11** S. 730(3) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(6)**
- F12** S. 730(3) repealed (with effect in accordance with Sch. 6 para. 2(3) of the repealing Act) by Finance Act 2006 (c. 25), Sch. 6 para. 2(2), **Sch. 26 Pt. 3(12)**, Note
- F13** Words in s. 730(4)(b) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 300(3)(a)** (with Sch. 2)
- F14** Words in s. 730(4) and s. 730(4A)(4B) substituted for words in s. 730(4) (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 300(3)(b)** (with Sch. 2)
- F15** Word in s. 730(4) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(7)**
- F16** Word in s. 730(4A) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(8)**
- F17** Word in s. 730(4B) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(9)**
- F18** Word in s. 730(5) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 300(4)(a)** (with Sch. 2)
- F19** Words in s. 730(5) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 300(4)(b)** (with Sch. 2)
- F20** Words in s. 730(5) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 300(4)(c)** (with Sch. 2)
- F21** Words in s. 730(6) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 214(a)** (with Sch. 2 Pts. 1, 2)
- F22** Words in s. 730(2)(4)(b)(6)(8) substituted (with effect in accordance with Sch. 7 para. 32 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 7 para. 23** (with Sch. 7 paras. 33-35)
- F23** Words in s. 730(6) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 214(b)** (with Sch. 2 Pts. 1, 2)
- F24** S. 730(7) substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 2(10)**
- F25** Words in s. 730(8) repealed (with effect in accordance with Sch. 7 para. 2(13) of the repealing Act) by Finance (No. 2) Act 2005 (c. 22), Sch. 7 para. 2(11), **Sch. 11 Pt. 2(8)**, Note

Status: Point in time view as at 01/04/2009.

Changes to legislation: Income and Corporation Taxes Act 1988, Cross Heading: Other transfers of securities is up to date with all changes known to be in force on or before 18 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Marginal Citations

M1 Source—1970 s.470; 1971 Sch.6 71

[^{F26}730A Treatment of price differential on sale and repurchase of securities.

^{F27}

Textual Amendments

F26 Ss. 730A, 730B inserted (with effect in accordance with s. 80(5) of the amending Act) by Finance Act 1995 (c. 4), **s. 80(1)**

F27 Ss. 730A, 730B repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 4, **Sch. 27 Pt. 2(14)**, Note

730B Interpretation of section 730A.

^{F28}

Textual Amendments

F26 Ss. 730A, 730B inserted (with effect in accordance with s. 80(5) of the amending Act) by Finance Act 1995 (c. 4), **s. 80(1)**

F28 Ss. 730A, 730B repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 4, **Sch. 27 Pt. 2(14)**, Note

[^{F29}730BB Exchange gains and losses on sale and repurchase of securities

^{F30}

Textual Amendments

F29 S. 730BB inserted (with effect in accordance with Sch. 38 para. 21(2) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 38 para. 12**

F30 S. 730BB repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 5, **Sch. 27 Pt. 2(14)**, Note

[^{F31}730C Exchanges of gilts: traders etc.

^{F32}

Textual Amendments

F31 S. 730C inserted (29.4.1996) by Finance Act 1996 (c. 8), **Sch. 40 para. 7**

F32 S. 730C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 301, **Sch. 3** (with Sch. 2)

Status:

Point in time view as at 01/04/2009.

Changes to legislation:

Income and Corporation Taxes Act 1988, Cross Heading: Other transfers of securities is up to date with all changes known to be in force on or before 18 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.