



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XVII

TAX AVOIDANCE

CHAPTER II

TRANSFERS OF SECURITIES

Transfers with or without accrued interest: supplemental

720 Nominees, trustees etc.

- (1)^{M1} Where securities are transferred by or to a person as nominee for another person, or as trustee for another person absolutely entitled as against the trustee, or for any person who would be so entitled but for being an infant or other person under disability, or for two or more persons who are or would be jointly so entitled, sections 713, 715 and 716 shall apply as if references to the transferor or the transferee (as the case may be) were to the person or persons for whom the nominee or trustee disposes or acquires.
- (2)^{M2} It is hereby declared that for the purposes of subsection (1) above—
 - (a) securities are transferred by a person as trustee for another person absolutely entitled as against the trustee if that other person has immediately before the transfer the exclusive right to direct how the securities shall be dealt with, subject only to satisfying any outstanding charge, lien or other right of the trustee to resort to the securities for payment of duty, taxes, costs or other outgoings; and
 - (b) securities are transferred to a person as trustee for another person so entitled if that other person has that right immediately after the transfer.

^{F1}(3)

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(4) ^{M3}Where a person who is entitled to securities becomes trustee of them, he shall be treated for the purposes of sections 710 to 728 as transferring them (in a capacity other than trustee) to himself (in his capacity as trustee), or to himself and any other trustees, at the time he becomes trustee.

(5) [^{F2M4}Income] which by virtue of 714(2) or 716(3) [^{F3}is treated] as received in a year of assessment by trustees shall be chargeable to income tax [^{F4}at the rate applicable to trusts] for that year.

^{F5}

(6) ^{M5}In any case where—

- (a) a trustee of a settlement is treated as receiving [^{F6}income] under section 714(2), or
- (b) a trustee of a settlement who is resident or domiciled outside the United Kingdom throughout any chargeable period in which an interest period (or part of it) falls would, at the end of the interest period, have been treated under section 714(2) as receiving [^{F7}income or income] of a greater amount if he had been resident or domiciled in the United Kingdom during a part of each such chargeable period,

[^{F8}Chapter 5 of Part 5 of ITTOIA 2005 (settlements: amounts treated as income of settlor) and Chapter 1C of Part 15 of this Act (liability of trustees)] shall have effect as if the amount which the trustee is or would be treated as receiving were income [^{F9}arising under the settlement].

(7) ^{M6}In any case where income of a trustee of a settlement who is resident or domiciled outside the United Kingdom throughout any chargeable period in which an interest period (or part of it) falls consists of interest which—

- (a) falls due at the end of the interest period; and
- (b) would have been treated under section 714(5) as reduced by an allowance or an allowance of a greater amount if he had been resident or domiciled in the United Kingdom during a part of each such chargeable period;

then, for the purposes of [^{F10}Chapter 5 of Part 5 of ITTOIA 2005 and Chapter 1C of Part 15 of this Act], the interest shall be treated as being reduced by the amount of the allowance or by the additional amount (as the case may be).

(8) ^{M7}In subsections (6) and (7) above—

- (a) “settlement” means settlement within the meaning of [^{F11}Chapter 5 of Part 5 of ITTOIA 2005 (see section 620 of that Act)]; and
- (b) references to a trustee of a settlement are, where there is no trustee of the settlement, to any person entitled to securities comprised in the settlement.

Textual Amendments

- F1** S. 720(3) repealed (27.7.1993 with effect for the year 1994 and subsequent underwriting years) by 1993 c. 34, s. 213, **Sch. 23 Pt. III(12)** Note 2
- F2** Word in s. 720(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. 298(2)(a)** (with Sch. 2)
- F3** Words in s. 720(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. 298(2)(b)** (with Sch. 2)
- F4** Words in s. 720(5) substituted (27.7.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 79, **Sch. 6 paras. 13, 25**

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- F5** Words in s. 720(5) repealed (with effect in accordance with s. 68 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 20 Pt. 3\(17\)](#), Note
- F6** Word in s. 720(6)(a) 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. 298\(3\)\(a\)](#) (with Sch. 2)
- F7** Words in s. 720(6)(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. 298\(3\)\(b\)](#) (with Sch. 2)
- F8** Words in s. 720(6) 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. 298\(3\)\(c\)](#) (with Sch. 2)
- F9** Words in s. 720(6) substituted (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\), Sch. 17 para. 17\(2\)\(b\)](#)
- F10** Words in s. 720(7) 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. 298\(4\)](#) (with Sch. 2)
- F11** Words in s. 720(8)(a) 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. 298\(5\)](#) (with Sch. 2)

Modifications etc. (not altering text)

- C1** Ss. 710-728 modified (27.7.1993) by [1993 c. 34, s. 63\(1\)\(2\)](#)
Ss. 710-728 modified (27.7.1993) by [1993 c. 34, s. 63\(3\)\(4\)](#)
Ss. 710-728 modified (27.7.1993) by [1993 c. 34, s. 63\(8\)\(10\)](#)
Ss. 710-728 modified (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by [1993 c. 34, ss. 176\(4\), 184\(3\)](#)
- C2** Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\), Sch. 13 para. 11](#) (with Sch. 13 para. 16, Sch. 15)
- C3** Ss. 711-728 modified (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 161\(2\)\(a\)](#) (with s. 161(7))

Marginal Citations

- M1** Source—1985 Sch.23 6(1), 15(6)
- M2** Source—1985 Sch.23 6(2)
- M3** Source—1985 Sch.23 7(1)
- M4** Source—1985 Sch.23 8(1), (2), (4); 1986 Sch.17 1(1)
- M5** Source—1985 Sch.23 9(1), (2)
- M6** Source—1985 Sch.23 9(3), (4)
- M7** Source—1985 Sch.23 9(5)

721 Death.

(1)^{F12}

[^{F13}(2) Where—

- (a) an individual who is entitled to securities dies, and
- (b) in the interest period in which the individual died, the securities are transferred by his personal representatives to a legatee,

section 713 shall not apply to the transfer.]

(3) In subsection (2) above “legatee” includes any person taking (whether beneficially or as trustee) under a testamentary disposition or on an intestacy or partial intestacy, including any person taking by virtue of an appropriation by the personal representatives in or towards satisfaction of a legacy or other interest or share in the deceased’s property.

(4)^{F12}

^{F14}(5)

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F14(6)

Textual Amendments

- F12** S. 721(1)(4) repealed (with effect in accordance with s. 158(5) of the repealing Act) by [Finance Act 1996 \(c. 8\), s. 158\(2\)\(4\), Sch. 41 Pt. 5\(20\)](#), Note
- F13** S. 721(2) substituted (with effect in accordance with s. 158(5) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 158\(3\)](#)
- F14** S. 721(5)(6) repealed (27.7.1993 with effect for the year 1994 and subsequent underwriting years) by 1993 c. 34, s. 213, [Sch. 23 Pt. III\(12\)](#) Note 2

Modifications etc. (not altering text)

- C4** Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(1\)\(2\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(3\)\(4\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(8\)\(10\)](#)
Ss. 710-728 modified (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by 1993 c. 34, [ss. 176\(4\), 184\(3\)](#)
- C5** Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\), Sch. 13 para. 11](#) (with [Sch. 13 para. 16, Sch. 15](#))
- C6** Ss. 711-728 modified (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 161\(2\)\(a\)](#) (with [s. 161\(7\)](#))
- C7** S. 721(1)-(4) excluded (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by 1993 c. 34, [ss. 176\(3\)\(a\), 184\(3\)](#)

722 Trading stock.

- ^{M8}(1) Where securities acquired by a person otherwise than as trading stock of a trade carried on by him are appropriated by him for the purposes of the trade as trading stock (whether on the commencement of the trade or otherwise), he shall be treated for the purposes of sections 710 to 728 as transferring them otherwise than in the course of the trade and re-acquiring them in the course of the trade on the day the appropriation is made.
- (2) Where securities forming part of the trading stock of a person's trade are appropriated by him for any other purpose, or are retained by him on his ceasing to carry on the trade, he shall be treated for the purposes of sections 710 to 728 as transferring them in the course of the trade and re-acquiring them otherwise than in the course of the trade on the day the appropriation is made or (as the case may be) he ceases to carry on the trade.

Modifications etc. (not altering text)

- C8** Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(1\)\(2\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(3\)\(4\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(8\)\(10\)](#)
Ss. 710-728 modified (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by 1993 c. 34, [ss. 176\(4\), 184\(3\)](#)
- C9** Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\), Sch. 13 para. 11](#) (with [Sch. 13 para. 16, Sch. 15](#))
- C10** Ss. 711-728 modified (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 161\(2\)\(a\)](#) (with [s. 161\(7\)](#))

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Marginal Citations

M8 Source—1985 Sch.23 (13) (1), (2)

[^{F15}722A Gilt strips: deemed transfer.

- (1) For the purposes of sections 710 to 728, where a gilt-edged security is exchanged by any person for strips of that security the security shall be deemed to have been transferred by that person.
- (2) Nothing in subsection (1) above shall have effect to cause any person to be treated as the transferee of any securities for the purposes of section 713(2)(b).
- (3) For the purposes of sections 710 to 728, where strips of gilt-edged securities are exchanged by any person for a single gilt-edged security consolidating those strips, that security shall be deemed to have been transferred to that person.
- (4) Nothing in subsection (3) above shall have effect to cause any person to be treated as the transferor of any securities for the purposes of section 713(2)(a).
- (5) In this section—

“gilt-edged security” has the same meaning as in section [^{F16}50]; and

“strip” means anything which, within the meaning of section 47 of the ^{M9}Finance Act 1942, is a strip of a gilt-edged security.]

Textual Amendments

F15 S. 722A inserted (29.4.1996) by Finance Act 1996 (c. 8), Sch. 40 para. 6

F16 Word in s. 722A(5) substituted (with effect in accordance with s. 37(8) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(7)

Modifications etc. (not altering text)

C11 Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by Finance Act 1996 (c. 8), Sch. 13 para. 11 (with Sch. 13 para. 16, Sch. 15)

C12 Ss. 711-728 modified (31.7.1998) by Finance Act 1998 (c. 36), s. 161(2)(a) (with s. 161(7))

Marginal Citations

M9 1942 c. 21.

723 Foreign securities: delayed remittances

- ^{M10}(1) This section applies where in an interest period a person is treated as entitled to a sum or sums under section 713(2)(a) in respect of a transfer or transfers of securities of a particular kind which are situated outside the United Kingdom.
- (2) Subject to subsection (3) below, the amount of [^{F17}any income] which the person is treated under section 714 as receiving on the day the period ends in respect of securities of that kind shall be reduced—
 - (a) if the amount of the sum or aggregate of the sums exceeds the amount of [^{F18}that income], to nil; or
 - (b) in any other case, by the amount of the sum or aggregate.

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- (3) No reduction shall be made unless the person makes a claim and shows that the conditions in subsection (5) below are, so far as applicable, satisfied in the chargeable period in which the profits or gains are treated as received.
- (4) The claimant (or his personal representatives) shall be charged to tax [^{F19}on the full amount] of the reduction for the chargeable period in which the conditions in subsection (5) below cease to be satisfied.
- (5) The conditions are—
 - (a) that the claimant was unable to remit the proceeds of the transfer or transfers to the United Kingdom;
 - (b) that the inability was due to the laws of the territory in which the securities are situated, or to the executive action of its government, or to the impossibility of obtaining foreign currency in that territory; and
 - (c) that the inability was not due to any want of reasonable endeavours on the part of the claimant.
- (6) No claim under this section shall be made in respect of a transfer more than six years after the end of the interest period in which the transfer occurred.
- (7) The personal representatives of a deceased person may make any claim which he might have made under this section if he had not died.
- (8) For the purposes of this section the place where securities are situated shall be determined in accordance with [^{F20}sections 275(1) and (2)(b) and 275C][^{F21}of the 1992] Act.

Textual Amendments

- F17** Words in s. 723(2) 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. 299\(2\)\(a\)](#) (with Sch. 2)
- F18** Words in s. 723(2) 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. 299\(2\)\(b\)](#) (with Sch. 2)
- F19** Words in s. 723(4) 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. 299\(3\)](#) (with Sch. 2)
- F20** Words in s. 723(8) substituted (with effect in accordance with Sch. 4 para. 10(1) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\), Sch. 4 para. 2\(2\)](#)
- F21** Words in s. 723(8) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch. 10 para. 14\(38\)](#) (with ss. 60, 101(1), 171, 201(3))

Modifications etc. (not altering text)

- C13** Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(1\)\(2\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(3\)\(4\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(8\)\(10\)](#)
Ss. 710-728 modified (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by 1993 c. 34, [ss. 176\(4\), 184\(3\)](#)
- C14** Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\), Sch. 13 para. 11](#) (with Sch. 13 para. 16, Sch. 15)
- C15** Ss. 711-728 modified (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 161\(2\)\(a\)](#) (with s. 161(7))

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Marginal Citations

M10 Source—1985 Sch.23 11

724 Insurance companies.

F22

Textual Amendments

F22 S. 724 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996](#) (c. 8), [Sch. 41 Pt. 5\(3\)](#), Note

F23 **725**

Textual Amendments

F23 S. 725 repealed (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by [1993 c. 34, s. 213, Sch. 23 Pt. III\(12\)](#) Note 5

F24 **726**

Textual Amendments

F24 S. 726 repealed (for the year 1991-92 and subsequent years of assessment) by [Finance Act 1991](#) (c. 31, [SIF 63:1](#)), s. 123, [Sch. 19 Pt. V](#), Note 6

[726A ^{F25}**New issues of securities.**

- (1) This section applies where—
 - (a) securities (old securities) of a particular kind are issued by way of the original issue of securities of that kind,
 - (b) on a later occasion securities (new securities) of the same kind are issued,
 - (c) a sum (the extra return) is payable in respect of the new securities, by the person issuing them, to reflect the fact that interest is accruing on the old securities,
 - (d) the issue price of the new securities includes an element (whether or not separately identified) representing payment for the extra return, and
 - (e) the extra return is equal to the amount of interest payable for the relevant period on so many old securities as there are new (or, if there are more new securities than old, the amount of interest which would be so payable if there were as many old securities as new).
- (2) For the purposes of sections 710 to 728—
 - (a) the new securities shall be treated as having been issued on the relevant day;
 - (b) they shall be treated as transferred to the person to whom they are in fact issued (though not treated as transferred by any person);

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- (c) the transfer shall be treated as a transfer with accrued interest and as made on the day on which the new securities are in fact issued;
 - (d) that day shall be treated as the settlement day (notwithstanding section 712); but this subsection is subject to subsection (7) below.
- (3) If the new securities are in fact issued under an arrangement by virtue of which the acquirer accounts to the issuer separately for the extra return mentioned in subsection (1) above and the rest of the issue price, in relation to the transfer mentioned in subsection (2)(b) above—
- (a) section 713(4) shall not apply, and
 - (b) for the purposes of section 713(2) the accrued amount shall be the amount found under subsection (4) or (5) below (as the case may be);
- and here “the acquirer” means the person to whom the new securities are in fact issued and “the issuer” means the person by whom they are in fact issued.
- (4) Subject to subsection (5) below, the amount is one equal to the amount (if any) of the extra return separately accounted for.
- (5) If the interest on the new securities is payable in a currency other than sterling, the amount is the sterling equivalent on the settlement day of the amount found under subsection (4) above; and for this purpose the sterling equivalent of an amount on the settlement day is the sterling equivalent calculated by reference to the London closing rate of exchange for that day.
- (6) If the new securities are in fact issued otherwise than as mentioned in subsection (3) above, section 713(4)(b) shall apply in relation to the transfer mentioned in subsection (2)(b) above.
- (7) If the new securities are securities to which section 717 applies (after applying subsection (2)(a) above) subsection (2)(b) to (d) above shall not apply.
- (8) For the purposes of this section the relevant period is the period beginning with the day following the relevant day and ending with the day on which the new securities are in fact issued.
- (9) For the purposes of this section the relevant day is—
- (a) the last (or only) interest payment day to fall in respect of the old securities before the day on which the new securities are in fact issued, or
 - (b) the day on which the old securities were issued, in a case where no interest payment day fell in respect of them before the day on which the new securities are in fact issued.]

Textual Amendments

F25 S. 726A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 54, Sch. 12 paras. 2, 5

Modifications etc. (not altering text)

C16 Ss. 710-728 modified (27.7.1993) by [1993 c. 34, s. 63\(1\)\(2\)](#)
 Ss. 710-728 modified (27.7.1993) by [1993 c. 34, s. 63\(3\)\(4\)](#)
 Ss. 710-728 modified (27.7.1993) by [1993 c. 34, s. 63\(8\)\(10\)](#)
 Ss. 710-728 modified (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by [1993 c. 34, ss. 176\(4\), 184\(3\)](#)

Status: Point in time view as at 20/07/2005.

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- C17** Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 13 para. 11](#) (with [Sch. 13 para. 16](#), [Sch. 15](#))
- C18** Ss. 711-728 modified (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [s. 161\(2\)\(a\)](#) (with s. 161(7))

727 Stock lending.

M11(1)^{F26}

- (2) Where securities are transferred in circumstances such that by virtue of [^{F27}section 263B(2) of the 1992 Act] (capital gains tax exemption) any disposal and acquisition are disregarded for the purposes of capital gains tax, sections 713(2) and (3) and 716 shall not apply.

Textual Amendments

- F26** S. 727(1) repealed (with effect in accordance with Sch. 18 Pt. 6(10) Note 1 of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 18 Pt. 6\(10\)](#); S.I. 1997/991, [art. 2](#)
- F27** Words in s. 727(2) substituted (with effect in accordance with Sch. 10 para. 7(1) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 10 para. 5\(3\)](#); S.I. 1997/991, [art. 2](#)

Modifications etc. (not altering text)

- C19** Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(1\)\(2\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(3\)\(4\)](#)
Ss. 710-728 modified (27.7.1993) by 1993 c. 34, [s. 63\(8\)\(10\)](#)
Ss. 710-728 modified (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by 1993 c. 34, [ss. 176\(4\)](#), 184(3)
- C20** Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 13 para. 11](#) (with [Sch. 13 para. 16](#), [Sch. 15](#))
- C21** Ss. 711-728 modified (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [s. 161\(2\)\(a\)](#) (with s. 161(7))

Marginal Citations

- M11** Source—1985 Sch.23 32C; 1986 Sch.17 4

[^{F28}727A] Exception for sale and repurchase of securities.

- (1) Where securities are transferred under an agreement to sell them, [^{F29}and the transferor or a person connected with him—
- (a) is required to buy them back in pursuance of an obligation imposed by, or in consequence of the exercise of an option acquired under, that agreement or any related agreement, or
 - (b) acquires an option to buy them back under that agreement or any related agreement which he subsequently exercises,]
- section 713(2) and (3) and section 716 do not apply to the transfer by the transferor or the transfer back [^{F30}except in a case where section 730A of the Taxes Act 1988 is prevented from applying by subsection (8) of that section.]
- (2) For the purposes of this section agreements are related if they are entered into in pursuance of the same arrangement (regardless of the date on which either agreement is entered into).
- (3) Section 839 (connected persons) applies for the purposes of this section.

Status: Point in time view as at 20/07/2005.

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(4) References in this section to buying back securities include buying similar securities.

For this purpose securities are similar if they entitle their holders—

- (a) to the same rights against the same persons as to capital and interest, and
- (b) to the same remedies for the enforcement of those rights,

notwithstanding any difference in the total nominal amounts of the respective securities or in the form in which they are held or the manner in which they can be transferred.

(5) For the purposes of this section—

- (a) a person connected with the transferor who is required to buy securities sold by the transferor shall be treated as being required to buy the securities back, and
- (b) a person connected with the transferor who acquires an option to buy securities sold by the transferor shall be treated as acquiring an option to buy the securities back,

notwithstanding that it was not he who sold them.]

Textual Amendments

F28 S. 727A inserted (with effect in accordance with s. 79(3) of the amending Act) by Finance Act 1995 (c. 4), s. 79(1) (with s. 79(4))

F29 Words and paras. (a)(b) in s. 727A(1) substituted (with effect in accordance with Sch. 38 para. 21(2) of the amending Act) by Finance Act 2003 (c. 14), Sch. 38 para. 4

F30 Words in s. 727A(1) inserted (with effect in accordance with Sch. 38 para. 21(2) of the amending Act) by Finance Act 2003 (c. 14), Sch. 38 para. 15

Modifications etc. (not altering text)

C22 S. 727A applied (with modifications) (2.1.1996) by The Sale and Repurchase of Securities (Modification of Enactments) Regulations 1995 (S.I. 1995/3220), regs. 1, 4

C23 S. 727A applied (with modifications) (2.1.1996) by The Sale and Repurchase of Securities (Modification of Enactments) Regulations 1995 (S.I. 1995/3220), regs. 1, 5

C24 Ss. 710-728 modified (with effect in accordance with s. 105(1) of the modifying Act) by Finance Act 1996 (c. 8), Sch. 13 para. 11 (with Sch. 13 para. 16, Sch. 15)

C25 Ss. 711-728 modified (31.7.1998) by Finance Act 1998 (c. 36), s. 161(2)(a) (with s. 161(7))

C26 S. 727A(1) modified (1.1.1999) by The European Single Currency (Taxes) Regulations 1998 (S.I. 1998/3177), regs. 1, 14

728 Information.

^{M12}(1) In order to obtain for the purposes of [F³¹sections 710 to 727A] particulars relating to securities, an inspector may by notice require a return under subsection (2) or (3) below.

(2) A member of the Stock Exchange, other than a market maker, may be required to make a return giving, in relation to any transactions effected by him in the course of his business in the period specified in the notice, such particulars as may be so specified.

In relation to transactions before 27th October 1986 this subsection shall have effect with the substitution of “jobber” for “market maker”.

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- (3) A person (other than a member of the Stock Exchange), who acts as an agent or broker in the United Kingdom in transactions in securities, may be required to make a return giving, in relation to any such transactions effected by him in the period specified in the notice, such particulars as may be so specified.
- (4) No person shall be required under subsection (2) or (3) above to include in a return particulars of any transaction effected more than three years before the service of the notice requiring him to make the return.
- (5) In order to obtain for the purposes of [^{F31}sections 710 to 727A] particulars relating to securities, the Board or an inspector may by notice require any person in whose name any securities are registered to state whether or not he is the beneficial owner of those securities and, if he is not the beneficial owner of them or any of them, to furnish the name and address of the person or persons on whose behalf the securities are registered in his name.
- (6) In this section “market maker”, in relation to securities, means a person who—
 - (a) holds himself out at all normal times in compliance with the rules of the Stock Exchange as willing to buy and sell securities of the kind concerned at a price specified by him; and
 - (b) is recognised as doing so by the Council of the Stock Exchange.
- (7) The Board may by regulations provide that—
 - (a) subsections (2), (3) and (6)(a) above shall have effect as if references to the Stock Exchange were to any recognised investment exchange (within the meaning of the [^{F32}Financial Services and Markets Act 2000]) or to any of those exchanges specified in the regulations; and
 - (b) subsection (6)(b) shall have effect as if the reference to the Council of the Stock Exchange were to the investment exchange concerned.
- (8) Regulations under subsection (7) above shall apply in relation to transactions effected on or after such day as may be specified in the regulations.

Textual Amendments

- F31** Words in s. 728(1)(5) substituted (with effect in accordance with s. 79(3) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 79\(2\)](#) (with s. 79(4))
- F32** Words in s. 728(7)(a) substituted (1.12.2001) by [Financial Services and Markets Act 2000 \(c. 8\)](#), s. 431(2), Sch. 20 para. 4(5); [S.I. 2001/3538](#), [art. 2\(1\)](#)

Modifications etc. (not altering text)

- C27** [Ss. 710-728](#) modified (27.7.1993) by [1993 c. 34, s. 63\(1\)\(2\)](#)
[Ss. 710-728](#) modified (27.7.1993) by [1993 c. 34, s. 63\(3\)\(4\)](#)
[Ss. 710-728](#) modified (27.7.1993) by [1993 c. 34, s. 63\(8\)\(10\)](#)
[Ss. 710-728](#) modified (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by [1993 c. 34, ss. 176\(4\), 184\(3\)](#)
- C28** [Ss. 710-728](#) modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\), Sch. 13 para. 11](#) (with [Sch. 13 para. 16](#), [Sch. 15](#))
- C29** [Ss. 711-728](#) modified (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 161\(2\)\(a\)](#) (with s. 161(7))

Marginal Citations

- M12** Source—1985 Sch.23 44(1)-(5A); 1986 Sch.17 6

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