



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XVII

TAX AVOIDANCE

CHAPTER II

TRANSFERS OF SECURITIES

Other transfers of securities

[^{F1}730C Exchanges of gilts: traders etc.

- (1) This section has effect for the purposes of computing the profits and gains arising from any trade, profession or vocation carried on by any person in so far as the computation is such as to require amounts in respect of the acquisition or redemption of a gilt-edged security (including any strip) to be brought into account.
- (2) Where a gilt-edged security is exchanged by any person for strips of that security—
 - (a) the security shall be deemed to have been redeemed at the time of the exchange by the payment to that person of its market value; and
 - (b) that person shall be deemed to have acquired each strip for the amount which bears the same proportion to that market value as is borne by the market value of the strip to the aggregate of the market values of all the strips received in exchange for the security.
- (3) Where strips of a gilt-edged security are consolidated into a single security by being exchanged by any person for that security—
 - (a) each of the strips shall be deemed to have been redeemed at the time of the exchange by the payment to that person of the amount equal to its market value; and

Status: Point in time view as at 31/07/1997. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 730C is up to date with all changes known to be in force on or before 22 July 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) that person shall be deemed to have acquired the security for the amount equal to the aggregate of the market values of the strips given in exchange for the security.
- (4) References in this section to the market value of a security given or received in exchange for another are references to its market value at the time of the exchange.
- (5) Subsections (3) and (4) of section 473 shall not apply in the case of any exchange to which subsection (2) or (3) above applies.
- (6) Without prejudice to the generality of any power conferred by section 202 of the Finance Act 1996, the Treasury may by regulations make provision for the purposes of this section as to the manner of determining the market value at any time of any gilt-edged security (including any strip).
- (7) Regulations under subsection (6) above may—
- (a) make different provision for different cases; and
 - (b) contain such incidental, supplemental, consequential and transitional provision as the Treasury may think fit.
- (8) This section does not apply for the purposes of corporation tax.
- (9) In this section—
- “gilt-edged security” has the same meaning as in section [F250]; and
- “strip” means anything which, within the meaning of section 47 of the ^{M1}Finance Act 1942, is a strip of a gilt-edged security.]

Textual Amendments

- F1** S. 730C inserted (29.4.1996) by Finance Act 1996 (c. 8), Sch. 40 para. 7
- F2** Word in s. 730C(9) substituted (with effect in accordance with s. 37(8) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(7)

Marginal Citations

- M1** 1942 c. 21.

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