

*Status: Point in time view as at 19/02/2008.*

*Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Effect of repurchase agreement is up to date with all changes known to be in force on or before 14 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)*

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 7AC

#### EXEMPTIONS FOR DISPOSALS BY COMPANIES WITH SUBSTANTIAL SHAREHOLDING

##### Textual Amendments

- F1** Sch. 7AC inserted (with effect in accordance with s. 44(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 8 para. 1](#)

### PART 2

#### THE SUBSTANTIAL SHAREHOLDING REQUIREMENT

##### *Effect of repurchase agreement*

- [<sup>F2</sup>12 (1) This paragraph applies where—
- (a) a company (“the borrower”) which holds shares in another company sells the shares under an arrangement by reference to which the borrower has a debtor repo, and
  - (b) by virtue of paragraph 6 of Schedule 13 to the Finance Act 2007 (sale and repurchase of securities) the sale is ignored for the purposes of corporation tax in respect of chargeable gains.
- (2) For the period for which the arrangement is in force—
- (a) the borrower shall be treated for the purposes of this Part as continuing to hold the shares and accordingly as retaining its entitlement to any rights attaching to them, and
  - (b) the lender shall be treated for those purposes as not holding the shares and as not becoming entitled to any such rights.
- This is subject to the following qualification.
- (3) If at any time before the end of that period the borrower, or another member of the same group as the borrower, becomes the holder—
- (a) of any of the shares, or
  - (b) of any shares directly or indirectly representing any of them,
- sub-paragraph (2) does not apply after that time in relation to those shares or, as the case may be, the shares represented by them.
- (4) Expressions used in this paragraph and in Schedule 13 to the Finance Act 2007 have the same meaning in this paragraph as in that Schedule.]]

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#### **Textual Amendments**

- F2** [Sch. 7AC para. 12](#) substituted (with effect in relation to an arrangement that comes into force on or after 1.10.2007) by [Finance Act 2007 \(c. 11\)](#), s. 47(4), [Sch. 14 para. 13](#); [S.I. 2007/2483](#), art. 3

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