



Finance Act 1996

1996 CHAPTER 8

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER VI

MISCELLANEOUS PROVISIONS

Investments

^{F1}153 Foreign income dividends.

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Textual Amendments

^{F1} S. 153 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

154 FOTRA securities.

- (1) The modifications which, under section 60 of the ^{M1}Finance Act 1940, may be made for the purposes of any issue of securities to the conditions about tax exemption specified in section 22 of the ^{M2}Finance (No. 2) Act 1931 shall include a modification by virtue of which the tax exemption contained in any condition of the issue applies, as respects capital, irrespective of where the person with the beneficial ownership of the securities is domiciled.

^{F2}(2)

^{F3}(3)

Status: Point in time view as at 01/04/2015.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Investments. (See end of Document for details)

F⁴(4)

F⁵(5)

F⁶(6)

(7) Schedule 28 to this Act (which contains amendments consequential on the provisions of this section) shall have effect.

F⁷(8)

(9) This section and Schedule 28 to this Act shall have effect—

- (a) for the purposes of income tax, for the year 1996-97 and subsequent years of assessment; and
- (b) for the purposes of corporation tax, for accounting periods ending after 31st March 1996.

Textual Amendments

- F2 S. 154(2) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 438, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F3 S. 154(3) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 438, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F4 S. 154(4) repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 1 para. 488(3), **Sch. 3** (with Sch. 2)
- F5 S. 154(5) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 438, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F6 S. 154(6) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 438, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F7 S. 154(8) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 438, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Marginal Citations

- M1 1940 c. 29.
- M2 1931 c. 49.

F⁸155 Directions for payment without deduction of tax.

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Textual Amendments

- F8 S. 155 repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)

F⁹156 Paying and collecting agents etc.

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Textual Amendments

- F9 S. 156 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

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157 Stock lending fees.

- (1) After section 129A of the Taxes Act 1988 (interest on cash collateral paid in connection with stock lending arrangements) there shall be inserted the following section—

“129B Stock lending fees.

- (1) The income which, as income deriving from investments of a description specified in any of the relevant provisions, is eligible for relief from tax by virtue of that provision shall be taken to include any relevant stock lending fee.
- (2) For the purposes of this section the relevant provisions are sections 592(2), 608(2)(a), 613(4), 614(3), 620(6) and 643(2).
- (3) In this section “relevant stock lending fee”, in relation to investments of any description, means any amount, in the nature of a fee, which is payable in connection with an approved stock lending arrangement relating to investments which, but for any transfer under the arrangement, would be investments of that description.
- (4) In this section “approved stock lending arrangement” has the same meaning as in Schedule 5A.”
- (2) This section has effect in relation to any arrangements entered into on or after 2nd January 1996.

^{F10}158 Transfers on death under the accrued income scheme.

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Textual Amendments

F10 S. 158 repealed (6.4.2007) by *Income Tax Act 2007* (c. 3), s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)

159 Manufactured payments, repos, etc.

- (1) Sections 729, 737A(2)(b) and 786(4) of the Taxes Act 1988 (provisions applying to sale and repurchase agreements) shall cease to have effect except in relation to cases where the initial agreement to sell or transfer the securities or other property was made before the appointed day.
- [^{F11}(2) In section 737 of that Act—
- (a) in subsection (5) (manufactured dividends paid to UK residents by non-residents), for the words from “a person resident in the United Kingdom” to “the United Kingdom recipient shall” there shall be substituted “ a United Kingdom recipient, that recipient shall ”; and
- (b) after that subsection there shall be inserted the following subsection—
- “(5AAA) For the purposes of subsection (5) above a person who receives a manufactured dividend is a United Kingdom recipient if—
- (a) he is resident in the United Kingdom; or

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- (b) he is not so resident but receives that dividend for the purposes of a trade carried on through a branch or agency in the United Kingdom.”

^{F11}(3) In section 737C of that Act (deemed manufactured payments), the following subsection shall be inserted after subsection (11A) in relation to cases where the initial agreement to sell the securities is made on or after the appointed day, that is to say—

“(11B) The preceding provisions of this section shall have effect in cases where paragraph 2, 3 or 4 of Schedule 23A would apply by virtue of section 737A(5) but for paragraph 5 of that Schedule as they have effect in a case where the paragraph in question is not disapplied by paragraph 5; and where—

- (a) the gross amount of the deemed manufactured interest, or
 (b) the gross amount of the deemed manufactured overseas dividend,
 falls to be calculated in such a case under subsection (8) or (11) above, it shall be so calculated by reference to the provisions of paragraph 3 or 4 of Schedule 23A that would have applied but for paragraph 5 of that Schedule.”]

^{F12}(4)

^{F12}(5)

^{F12}(6)

(7) In sub-paragraph (1) of paragraph 8 of that Schedule (power to modify provisions of Schedule)—

^{F13}(a)

[^{F14}(b) in the words after paragraph (b), for “paragraph 2, 3 or 4 above” there shall be substituted “ paragraphs 2 to 5 above ”.]

^{F15}(8)

(9) Subsections (2), (4) and (5) above have effect—

- (a) for the purposes of corporation tax, in relation to accounting periods ending after 31st March 1996; and
 (b) for the purposes of income tax, in relation to the year 1996-97 and subsequent years of assessment.

(10) In this section “the appointed day” means such day as the Treasury may by order appoint, and different days may be appointed under this subsection for different purposes.

Textual Amendments

F11 S. 159(2)(3) repealed (19.3.1997 with effect as mentioned in Sch. 18 Pt. VI(10), Note 1) by [1997 c. 16, s. 113, Sch. 18 Pt. VI\(10\)](#); [S.I. 1997/991, art. 2](#)

F12 S. 159(4)-(6) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F13 S. 159(7)(a) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F14 S. 159(7)(b) and the preceding word “and” repealed (19.3.1997 with effect as mentioned in Sch. 18 Pt. VI(10), Note 1) by [1997 c. 16, s. 113, Sch. 18 Pt. VI\(10\)](#); [S.I. 1997/991, art. 2](#)

F15 S. 159(8) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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[^{F16}160 Investments in housing.

Schedule 30 to this Act (which makes provision conferring relief from corporation tax on companies that invest in housing) shall have effect.]

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Textual Amendments

F16 S. 160 ceased to have effect (with effect in accordance with s. 145(2) of the amending Act) by virtue of [Finance Act 2006 \(c. 25\), s. 143](#)

^{F17}161 Venture capital trusts: control of companies etc.

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Textual Amendments

F17 S. 161 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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