

SCHEDULES

SCHEDULE 40

GILT STRIPPING: TAXATION PROVISIONS

The Taxes Act 1988

- 3 (1) At the end of subsection (5) of section 710 of the Taxes Act 1988 (meaning of “transfer”), there shall be inserted—
- “(b) except as otherwise provided by subsections (1) and (3) of section 722A, does not include any transaction forming part of any such exchange as is mentioned in either of those subsections.”
- (2) After subsection (13) of that section there shall be inserted the following subsections—
- “(13A) Where a security is deemed to have been transferred by virtue of section 722A(1), the interest period in which the exchange in question takes place shall be treated as ending on the day on which it would have ended had the exchange not taken place.
- (13B) Where a security is deemed to have been transferred by virtue of section 722A(3), the interest period in which the exchange in question takes place shall be treated as having begun on such day as shall for that purpose be specified in the security.”