



# Finance Act 1999

## 1999 CHAPTER 16

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Securities and investments*

#### **67 Deep discount and deep gain securities**

- (1) In paragraph 19 of Schedule 15 to the Finance Act 1996 (loan relationships: savings and transitional provisions), after sub-paragraph (3) there shall be inserted the following sub-paragraph—
  - “(3A) Any income that is treated as arising at the time mentioned in subsection (5) of that section, as it applies by virtue of sub-paragraph (3) above, shall be brought into account as a non-trading credit given for the purposes of this Chapter for the accounting period in which that time falls.”
- (2) In paragraph 20 of that Schedule, after sub-paragraph (2) there shall be inserted the following sub-paragraph—
  - “(2A) Any income that is treated as arising on the day mentioned in subsection (5) of that section, as it applies by virtue of sub-paragraph (2) above, shall be brought into account as a non-trading credit given for the purposes of this Chapter for the accounting period in which that day falls.”
- (3) In paragraph 19(7) of that Schedule, for paragraph (b) there shall be substituted the following paragraph—
  - “(b) the company did not make any disposal of that security on that date.”
- (4) In subsection (5)(c) of sections 64 and 65 of the Finance Act 1993 (which have effect, notwithstanding their repeal by the Finance Act 1996, in relation to deep discount and deep gain securities held on and after 31st March 1996), for “it is transferred by the creditor company” there shall be substituted “the creditor company makes a disposal of the security”.

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*Status: This is the original version (as it was originally enacted).*

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- (5) After subsection (5) of section 65 of that Act there shall be inserted the following subsection—
- “(5A) There is a disposal of a security for the purposes of subsection (5)(c) above if there would be such a disposal for the purposes of the Taxation of Chargeable Gains Act 1992.”
- (6) Subsections (1) and (2) above apply in relation to income treated as arising on or after 15th February 1999.
- (7) Subsection (3) above applies in any case where the day mentioned in paragraph 19(9) of Schedule 15 to the Finance Act 1996 falls on or after 15th February 1999.
- (8) Subsections (4) and (5) above apply for determining whether a time on or after 15th February 1999—
- (a) is a time falling within section 64(5)(c) of the Finance Act 1993; or
  - (b) is on a day falling within section 65(5)(c) of that Act.