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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2006, Cross Heading:  
Structured finance arrangements: chargeable gains treatment of acquisitions and disposals. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 6

#### AVOIDANCE INVOLVING FINANCIAL ARRANGEMENTS

*Structured finance arrangements: chargeable gains treatment of acquisitions and disposals*

- 9 (1) After section 263D of TCGA 1992 (gains accruing to persons paying manufactured dividends) insert—

**“263E Structured finance arrangements**

- (1) This section applies if—
- (a) section 774B of the Taxes Act (disregard of intended effects of arrangement involving disposals of assets) applies in relation to a structured finance arrangement,
  - (b) the borrower or a person connected with the borrower makes a disposal of any security at any time under the arrangement to or for the benefit of the lender or a person connected with the lender, and
  - (c) condition A or B is met.
- (2) Condition A is that the person making the disposal subsequently acquires under the arrangement the asset disposed of by that disposal.
- (3) Condition B is that—
- (a) the asset disposed of by that disposal subsequently ceases to exist at any time, and
  - (b) that asset was held by the lender, or a person connected with the lender, from the time of the disposal until that time.
- (4) The disposal of the security by the borrower or a person connected with the borrower is to be disregarded for the purposes of this Act.
- (5) Any subsequent acquisition by the person making the disposal of the asset disposed of by that disposal is to be disregarded for the purposes of this Act.
- (6) In this section—
- “the borrower”, in relation to a structured finance arrangement, means the person who is the borrower under the arrangement for the purposes of section 774A of the Taxes Act,
  - “the lender”, in relation to a structured finance arrangement, means the person who is the lender under the arrangement for the purposes of that section,
  - “security” means any such asset as is mentioned in subsection (2) (c) and (d) of that section.
- (7) For the purposes of this section—

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- (a) references to a person connected with the borrower do not include the lender, and
  - (b) references to a person connected with the lender do not include the borrower.”.
- (2) The amendment made by this paragraph has effect in relation to disposals made on or after 6th June 2006.
- (3) The amendment made by this paragraph also has effect in relation to any disposal made by a person before that date if the person makes a claim to that effect under this sub-paragraph.

**Changes to legislation:**

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