

Status: Point in time view as at 01/04/2009.

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SCHEDULES

SCHEDULE 13

SALE AND REPURCHASE OF SECURITIES

Interpretation etc

- 14 (1) In this Schedule—
- “arrangement” includes any agreement or understanding (whether or not legally enforceable),
 - “creditor quasi-repo” has the meaning given by [^{F1}section 544 of CTA 2009],
 - “creditor repo” has the meaning given by [^{F2}section 543 of CTA 2009],
 - “debtor quasi-repo” has the meaning given by [^{F3}section 549 of CTA 2009],
 - “debtor repo” has the meaning given by [^{F4}section 548 of CTA 2009],
 - “discharge”, in relation to a liability, means the discharge of the liability in whole or in part (and “discharged” is to be read accordingly),
 - “the loan relationship rules” means the provisions of [^{F5}Part 5 of CTA 2009],
 - “market value” has the same meaning as in TCGA 1992,
 - “overseas dividend”, in relation to overseas securities, means any interest, dividend or other annual payment payable in respect of the securities,
 - “overseas securities” means shares, stock or other securities issued by—
 - (a) a government or public or local authority of a territory outside the United Kingdom, or
 - (b) any other body of persons not resident in the United Kingdom,
 - “securities” (except in the definition of “overseas securities”) means shares, stock or other securities issued by—
 - (a) the government of the United Kingdom,
 - (b) any public or local authority in the United Kingdom, or
 - (c) any company or other body resident in the United Kingdom,
- or overseas securities, and
- “tax advantage” has the meaning given by section 840ZA of ICTA.
- (2) For the purposes of this Schedule references to a person's receiving any asset include the person's obtaining directly or indirectly the value of any asset or otherwise deriving directly or indirectly any benefit from it.
- (3) For the purposes of this Schedule—
- (a) in any case where a person buys securities (or has a right or obligation to buy securities) but the securities are (or are to be) held for another

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- person's benefit, that other person is treated as buying (or having the right or obligation to buy) the securities, and
- (b) in any case where a person sells securities but the proceeds of the sale are held for another person's benefit, that other person is treated as selling the securities.
- (4) For the purposes of this Schedule securities are similar if they entitle their holders to—
- (a) the same rights against the same persons as to capital, interest and dividends, and
- (b) the same remedies for the enforcement of those rights,
- in spite of any difference in the total nominal amounts of the respective securities or in the form in which they are held or the manner in which they can be transferred.
- (5) For the purposes of this Schedule it does not matter whether or not provision of any arrangement conferring a right or imposing an obligation on any person to buy any securities is subject to any conditions.
- (6) For the purposes of this Schedule an arrangement is in force from the time when the securities are initially sold until the earlier of—
- (a) the time when the relevant repurchase takes place, and
- (b) the time when it becomes apparent that that repurchase will not take place.
- (7) For this purpose “the relevant repurchase” means—
- (a) in the case of a debtor repo, the subsequent buying of the securities or similar securities,
- (b) in the case of a debtor quasi-repo, the subsequent buying of the securities or other securities by the borrower, the receipt of the asset from the borrower or (as the case may be) the discharge of the liability to the borrower,
- (c) in the case of a creditor repo, the subsequent sale of the securities or similar securities, and
- (d) in the case of a creditor quasi-repo, the subsequent sale of the securities or other securities by the lender, the receipt of the asset from the lender or (as the case may be) the discharge of the liability to the lender.
- (8) Any reference in this Schedule to an amount being recognised in determining a company's profit or loss for a period is to an amount being recognised for accounting purposes—
- (a) in the company's profit and loss account or income statement,
- (b) in the company's statement of recognised gains and losses or statement of changes in equity, or
- (c) in any other statement of items brought into account in calculating the company's profits and losses for that period.
- (9) In determining for the purposes of this Schedule whether an amount is recorded as a financial asset or liability in respect of the advance it is to be assumed that the period of account in which the advance is received or made ended immediately after the receipt or making of the advance.
- (10) For the purposes of paragraphs 6(4) and 11(4)—
- (a) any period of account in which the advance is received or made is treated as if it ended immediately after the receipt or making of the advance, and

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- (b) a new period of account is treated as beginning immediately after the end of that period.
- (11) If any person does not draw up accounts in accordance with generally accepted accounting practice, this Schedule applies as if the accounts had been drawn up by the person in accordance with that practice.

Textual Amendments

- F1** Words in Sch. 13 para. 14 substituted (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. 726\(4\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F2** Words in Sch. 13 para. 14 substituted (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. 726\(4\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F3** Words in Sch. 13 para. 14 substituted (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. 726\(4\)\(c\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F4** Words in Sch. 13 para. 14 substituted (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. 726\(4\)\(d\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F5** Words in Sch. 13 para. 14 substituted (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. 726\(4\)\(e\)](#) (with [Sch. 2 Pts. 1, 2](#))

Modifications etc. (not altering text)

- C1** Sch. 13 para. 14(6) applied (30.8.2007) by [Finance Act 2007 \(Schedules 13 and 14\) Order 2007 \(S.I. 2007/2483\), art. 6](#)
- C2** Sch. 13 para. 14(6) applied (with effect in accordance with reg. 1(1) of the amending S.I.) by [Sale and Repurchase of Securities \(Modification of Schedule 13 to the Finance Act 2007\) Regulations 2007 \(S.I. 2007/2485\), reg. 1\(1\)\(2\)](#)

Commencement Information

- I1** Sch. 13 para. 14 in force at 1.10.2007 with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483, art. 2](#)

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