

SCHEDULES

SCHEDULE 14

SALE AND REPURCHASE OF SECURITIES: MINOR AND CONSEQUENTIAL AMENDMENTS

Taxation of Chargeable Gains Act 1992 (c. 12)

- 12 (1) Section 263A (agreements for sale and repurchase of securities) is amended as follows.
- (2) In subsection (1), for the words from the beginning to “were different” substitute “Subject to subsections (3) and (4) below, in any case falling within section 607(1) of ITA 2007 (treatment of price differences under repos)”.
- (3) After that subsection insert—
- “(1A) If, at any time after the acquisition mentioned in subsection (1)(a) above, it becomes apparent that the interim holder will not dispose of the securities to the repurchaser, the interim holder shall be treated for the purposes of capital gains tax as acquiring them at that time for a consideration equal to their market value at that time.
- (1B) If, at any time after the disposal mentioned in subsection (1)(b) above, it becomes apparent that the original owner will not acquire the securities as the repurchaser, the original owner shall be treated for the purposes of capital gains tax as disposing of them at that time for a consideration equal to their market value at that time.”
- (4) Omit subsection (2).
- (5) For subsections (5) and (6) substitute—
- “(5) Expressions used in this section and section 607 of ITA 2007 have the same meaning in this section as in that section.
- (6) This section does not apply for the purposes of corporation tax in respect of chargeable gains.”
- (6) The heading accordingly becomes “**Agreements for sale and repurchase of securities: capital gains tax**”.