



Income Tax Act 2007

2007 CHAPTER 3

PART 11

MANUFACTURED PAYMENTS AND REPOS

CHAPTER 5

PRICE DIFFERENCES UNDER REPOS

Additional tax treatment

609 Additional income tax consequences of price differences

- (1) Subsections (2) and (3) apply if an amount is treated under section 607 as a payment of interest.
- (2) If the repurchase price is more than the sale price, the repurchase price is treated for other income tax purposes as reduced by the amount of the payment of interest.
- (3) If the sale price is more than the repurchase price, the repurchase price is treated for other income tax purposes as increased by the amount of the payment of interest.
- (4) “Other income tax purposes” means income tax purposes other than the purposes of—
 - (a) sections 601 to 605 (deemed manufactured payments: repos), and
 - (b) this Chapter.
- (5) The Treasury may by regulations provide for any amount which is treated under section 607 as received as a payment of interest to be treated, in such circumstances and so far as may be described in the regulations, as exempt pension income.
- (6) “Exempt pension income” means income which is eligible for relief from income tax as a result of section 613(4) or 614(2), (3) or (4) of ICTA or section 186 of FA 2004 (exemptions about pensions and annuities).

Status: This is the original version (as it was originally enacted).

- (7) Section 261G of TCGA 1992 deals with the effect on the repurchase price for capital gains tax purposes of an amount being treated under section 607 as a payment of interest.