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*Status: Point in time view as at 19/07/2012.*

**Changes to legislation:** *There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading: Price differences under repos. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 2

#### TRANSITIONALS AND SAVINGS

#### PART 12

#### MANUFACTURED PAYMENTS AND REPOS

##### *Price differences under repos*

- 119 Section 607 does not apply if the agreement to sell the securities was entered into before 1 May 1995.
- 120 (1) This paragraph applies if an agreement to sell securities was made before 9 April 2003, for the purpose of determining whether (for the purposes of section 607) there is a repo in respect of the securities.
- (2) Section 569 has effect as if for subsection (4) there were substituted—
- “(4) Condition C is that the original owner or a person connected with the original owner—
- (a) is required to buy back the securities by the agreement or a related agreement, or
- (b) is required to buy back the securities under an obligation imposed as a result of the exercise of an option acquired under the agreement or a related agreement.”
- 121 (1) This paragraph applies if section 607 applies and the agreement to sell the securities was made before 9 April 2003.
- (2) That section has effect with the omission of subsections (6) and (7).
- 122 (1) This paragraph applies if the agreement to sell the securities to the interim holder was made before 9 April 2003.
- (2) Section 608(3) has effect as if for “benefits and risks” there were substituted “benefits or risks”.
- 123 (1) This paragraph applies if an agreement to sell securities was made before 9 April 2003.
- (2) Section 611 applies with these modifications.
- (3) It applies as if in subsection (1) after “modifications” there were inserted “in a case where there is a sale and repurchase arrangement in respect of securities”.
- (4) It applies as if after subsection (1) there were inserted—

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“(1A) For the purposes of subsection (1) there is a sale and repurchase arrangement in respect of securities if—

- (a) a person (“the original owner”) has sold the securities to another person under an agreement,
- (b) the securities are UK shares, UK securities or overseas securities, and
- (c) the original owner or a person connected with the original owner—
  - (i) is required to buy back the securities by the agreement or a related agreement, or
  - (ii) acquires, under the agreement or a related agreement, an option to buy back the securities.

(1B) Section 570 (meaning of “buying back” securities etc) applies in the context of subsection (1A) as it applies in the context of a repo.”

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