



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 6

TAX ARBITRAGE

Deduction schemes

239 Securities subject to conversion

- (1) A scheme is a deduction scheme if it includes—
 - (a) a company issuing securities subject to conversion, or
 - (b) such an amendment of rights attaching to securities issued by a company that the securities become securities subject to conversion.
- (2) For the purposes of subsection (1)(a) a company's securities are securities subject to conversion if conditions A and B are met.
- (3) For the purposes of subsection (1)(b) a company's securities are securities subject to conversion if conditions A and C are met.
- (4) Condition A is that the rights attached to the securities include provision as a result of which a holder of such securities is entitled, on the occurrence of an event, to acquire shares in a company by conversion or exchange.
- (5) Condition B is that at the time when the securities are issued the company could reasonably expect that event to occur.
- (6) Condition C is that at the time when the rights attaching to the securities are amended as described in subsection (1)(b) the company could reasonably expect that event to occur.