



# Finance Act 2013

## 2013 CHAPTER 29

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 5

#### OTHER PROVISIONS

#### *Miscellaneous*

#### **76 Manufactured payments: stock lending arrangements**

- (1) Section 596 of ITA 2007 (deemed manufactured payments: stock lending arrangements) is amended in accordance with subsections (2) and (3).
- (2) For subsection (1) substitute—
- “(1) This section applies if conditions A to C are met.
- (1A) Condition A is that there is a stock lending arrangement in respect of securities.
- (1B) Condition B is that a dividend or interest on the securities is paid, as a result of the arrangement, to a person other than the person who is the lender under the arrangement.
- (1C) Condition C is that—
- (a) no provision is made for securing that the lender receives payments representative of the dividend or interest, or
- (b) provision is made for securing that the lender receives—
- (i) payments representative of the dividend or interest, and

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Section 76. (See end of Document for details)*

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- (ii) another benefit in respect of the dividend or interest (including the release of the whole or part of any liability to pay an amount).”
- (3) In subsection (2), for paragraph (a) substitute—
  - “(a) were required, under the arrangement—
    - (i) in a case falling within paragraph (a) of subsection (1C), to pay the lender an amount representative of the dividend or interest, or
    - (ii) in a case falling within paragraph (b) of that subsection, to pay the lender an amount representative of the dividend or interest but deducting from that amount any payment mentioned in sub-paragraph (i) of that paragraph on which tax has been, or is to be, charged, and”.
- (4) Section 812 of CTA 2010 (deemed manufactured payments: stock lending arrangements) is amended in accordance with subsections (5) to (7).
- (5) For subsection (1) substitute—
  - “(1) This section applies if conditions A to C are met.
  - (1A) Condition A is that there is a stock lending arrangement in respect of securities.
  - (1B) Condition B is that a dividend or interest on the securities is paid, as a result of the arrangement, to a person other than the person who is the lender under the arrangement.
  - (1C) Condition C is that—
    - (a) no provision is made for securing that the lender receives payments representative of the dividend or interest, or
    - (b) provision is made for securing that the lender receives—
      - (i) payments representative of the dividend or interest, and
      - (ii) another benefit in respect of the dividend or interest (including the release of the whole or part of any liability to pay an amount).”
- (6) In subsection (2), for paragraph (a) substitute—
  - “(a) were required, under the arrangement—
    - (i) in a case falling within paragraph (a) of subsection (1C), to pay the lender an amount representative of the dividend or interest, or
    - (ii) in a case falling within paragraph (b) of that subsection, to pay the lender an amount representative of the dividend or interest but deducting from that amount any payment mentioned in sub-paragraph (i) of that paragraph on which tax has been, or is to be, charged, and”.
- (7) After subsection (6) insert—
  - “(7) This section has effect regardless of section 358 of CTA 2009 (exclusion of credits on release of connected companies debts) or any other provision of Part

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5 of that Act (loan relationships) which prevents a credit from being brought into account.”

- (8) The amendments made by this section have effect in relation to cases in which a dividend or interest is paid, or is treated as paid, on or after 5 December 2012.

**Status:**

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