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STATUTORY INSTRUMENTS

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**1995 No. 2050**

**INCOME TAX**

**The Income Tax (Dealers in Securities)  
(Tradepoint) Regulations 1995**

<i>Made</i>	- - - -	<i>1st August 1995</i>
<i>Laid before the House of Commons</i>	- - - -	<i>4th August 1995</i>
<i>Coming into force</i>	- -	<i>25th August 1995</i>

The Treasury, in exercise of the powers conferred on them by section 732(2A) and (7) of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Dealers in Securities) (Tradepoint) Regulations 1995 and shall come into force on 25th August 1995.

**Interpretation**

2. In these Regulations unless the context otherwise requires—

“Board of directors” means the Board of directors of Tradepoint;

“clearing participant” means a member (as defined by this regulation) who is also a member of The London Clearing House Limited and who as such is permitted by the Board of directors and that clearing house to clear transactions made on the Exchange for a traded security;

“equity securities” means securities within the meaning given by section 731(9) of the Taxes Act which are issued by a company;

“the Exchange” means Tradepoint Investment Exchange;

“first buyer” shall be construed in accordance with section 731(2) of the Taxes Act;

“member” in relation to Tradepoint means a person approved by the Board of Directors as a participant in the Exchange;

“subsection (1)” and “subsection (2A)” mean subsection (1) and subsection (2A) respectively of section 732 of the Taxes Act;

“Taxes Act” means the Income and Corporation Taxes Act 1988;

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(1) 1988 c. 1; subsections (2A) and (7) of section 732 were inserted by section 56 of the Finance Act 1991 (c. 31).

“Tradepoint” means Tradepoint Financial Networks plc.

**Prescribed persons and date for the purposes of subsection (2A)**

3. For the purposes of subsection (2A)—
- (a) The London Clearing House Limited is a recognised clearing house which is prescribed;
  - (b) Tradepoint is a recognised investment exchange which is prescribed;
  - (c) a member in relation to Tradepoint who is a clearing participant is prescribed as a class or description of member of Tradepoint;
  - (d) the date which is referred to in paragraph (b) of subsection (2A) and which is prescribed is 25th August 1995.

**Prescribed circumstances for the purposes of subsection (2A)**

4.—(1) Paragraphs (2) and (3) below prescribe for the purposes of subsection (2A) the circumstances in which subsection (1) shall not apply.

(2) If the first buyer is The London Clearing House Limited, the circumstances prescribed are where—

- (a) the securities referred to in subsection (1) as purchased by the first buyer are equity securities, and
- (b) those securities were purchased by The London Clearing House Limited as the first buyer acting in its capacity as a person providing clearing services in connection with a transaction made on the Exchange.

(3) If the first buyer is a member in relation to Tradepoint and is a clearing participant, the prescribed circumstances are where—

- (a) the securities referred to in subsection (1) as purchased by the first buyer are equity securities, and
- (b) those securities were purchased by the member as the first buyer and in his capacity as a clearing participant—
  - (i) from a person in circumstances where the member is required to sell equity securities under a matching transaction to The London Clearing House Limited, or
  - (ii) from The London Clearing House Limited in circumstances where he is required to sell equity securities under a matching transaction to another person.

(4) In paragraph (3) above “matching transaction” means a transaction under which—

- (a) the equity securities to be sold by the member are of the same kind as the equity securities purchased by him, and
- (b) the number and price of the equity securities to be sold by the member are identical to the number and price of the equity securities purchased by him.

1st August 1995

*David Willetts*  
*Bowen Wells*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations provide exemption in certain circumstances from the bond washing provisions in section 732 of the Income and Corporation Taxes Act 1988 for dealers in securities on the newly established Exchange known as Tradepoint who are clearing participants in that Exchange, and for The London Clearing House Limited through whom transactions in Tradepoint are cleared.

Regulation 1 provides for citation and commencement, and regulation 2 contains definitions.

Regulation 3 prescribes the persons who will be exempt from section 732(1) of the 1988 Act and the date from which the exemption runs.

Regulation 4 prescribes the circumstances in which section 732(1) shall not apply.