

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the definition of “permanent interest bearing share” in section 117(11)(b) of the Taxation of Chargeable Gains Act 1992. The existing expression is defined by reference to the meaning in secondary legislation relating to Building Societies, that is in the Building Societies (Designated Capital Resources) (Permanent Interest Bearing Shares) Order 1991, (S.I.1991/702) (“the Building Societies Order”). The Building Societies Order will cease to have effect on or before 1st August 1999, due to the replacement of section 45 of the Building Societies Act 1986 (“section 45”) under which it is made with a new section 45, by section 21 of the Building Societies Act 1997. These Regulations provide for the definition of permanent interest bearing share to remain its meaning in the Building Societies Order with a minor modification reflecting a relevant change in wording between the old section 45 and the new section 45.