

**2007 No. 1820**

**INCOME TAX**

**CORPORATION TAX**

**The Income Tax Act 2007 (Amendment) (No. 2) Order 2007**

|   |                       |
|---|-----------------------|
| <i>Made</i> - - - -                     | <i>25th June 2007</i> |
| <i>Laid before the House of Commons</i> | <i>26th June 2007</i> |
| <i>Coming into force</i> - -            | <i>17th July 2007</i> |

The Treasury make the following Order in exercise of the powers conferred by sections 1028 and 1029 of the Income Tax Act 2007(a).

**Citation, commencement and effect**

1.—(1) This Order may be cited as the Income Tax Act 2007 (Amendment) (No. 2) Order 2007 and shall come into force on 17th July 2007.

(2) This Order has effect—

- (a) for income tax purposes, for the tax year 2007-08 and subsequent tax years, and
- (b) for corporation tax purposes, for accounting periods ending after 5th April 2007.

**Amendments to the Income and Corporation Taxes Act 1988**

2.—(1) The Income and Corporation Taxes Act 1988(b) is amended as follows.

(2) In sections 289(9)(d)(c), 291B(10)(d), 293(8AA)(e) and 308(2)(d) for “840” substitute “995 of ITA 2007”.

(3) In section 298(3) for “so much of the definition of “trade” in section 832(1) as relates to adventures or concerns in the nature of trade” substitute “section 989 of ITA 2007 (which defines “trade” as including any venture in the nature of trade)”.

(4) In section 312(1)(f), in the definition of “research and development”, for “837A” substitute “1006 of ITA 2007”.

(5) In section 312(2)(g) for “839” substitute “993 of ITA 2007”.

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(a) 2007 c. 3.  
(b) 1988 c. 1.  
(c) Section 289(9) was substituted by paragraph 1(8) of Schedule 18 to the Finance Act 2004 (c. 12).  
(d) Sections 291, 291A and 291B were substituted for section 291 by paragraph 5 of Schedule 15 to the Finance Act 1994 (c. 9).  
(e) Sections 293(8) and (8AA) were substituted for section 293(8) by paragraph 11 of Schedule 17 to the Finance Act 2000 (c. 17).  
(f) The definition of “research and development” in section 312(1) was substituted by paragraph 15(1) of Schedule 17 to the Finance Act 2000.  
(g) Section 312(2) was amended by paragraph 23(4) of Schedule 13 to the Finance Act 1998 (c. 36).

### **Amendments to the Finance Act 2002**

3. In the Finance Act 2002(a), in paragraph 12 of Schedule 16 (tax relief certificates), in subparagraphs (4) and (5), for “(2)” substitute “(2B)”.

### **Amendments to the Income Tax Act 2007**

4.—(1) The Income Tax Act 2007 is amended as follows.

(2) In section 620(1) (transactions which are transfers: general) for paragraph (c) substitute—

“(c) to the redemption of variable rate securities in any case where there has been a transfer of the securities at any time before redemption, or”.

(3) In paragraph 75(2) of Schedule 2 (transitionals and savings), in the substituted section 294(4), for “qualifying 90% company” substitute “qualifying 90% subsidiary of the relevant company”.

*Kevin Brennan*

*Frank Roy*

25th June 2007

Two of the Lords Commissioners of Her Majesty’s Treasury

### **EXPLANATORY NOTE**

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

This Order exercises powers conferred by the Income Tax Act 2007 to make consequential amendments and correct minor errors in the Income and Corporation Taxes Act 1988 (article 2), the Finance Act 2002 (article 3) and the Income Tax Act 2007 itself (article 4).

Authority for the retrospective provision made by this Order is conferred by sections 1028(4) and 1029(4) of the Income Tax Act 2007.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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(a) 2002 c. 23.

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