



Finance Act 1990

1990 CHAPTER 29

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Miscellaneous

81 Futures and options: exemptions

(1) The following section shall be inserted after section 468 of the Taxes Act 1988—

“468AA Authorised unit trusts: futures and options

- (1) Trustees shall be exempt from tax under Case I of Schedule D in respect of income if—
- (a) the income is derived from transactions relating to futures contracts or options contracts, and
 - (b) the trustees are trustees of a unit trust scheme which is an authorised unit trust as respects the accounting period in which the income is derived.
- (2) For the purposes of subsection (1) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.
- (3) In this section—
“authorised unit trust” has the same meaning as in section 468, and

Status: This is the original version (as it was originally enacted).

“unit trust scheme” has the same meaning as in section 469.”

- (2) The following section shall be inserted at the end of Part XIV of the Taxes Act 1988 (pension schemes etc.)—

“659A Futures and options

- (1) For the purposes of sections 592(2), 608(2)(a), 613(4), 614(3) and (4), 620(6) and 643(2)—
- (a) “investments” (or “investment”) includes futures contracts and options contracts, and
 - (b) income derived from transactions relating to such contracts shall be regarded as income derived from (or income from) such contracts, and paragraph 7(3)(a) of Schedule 22 to this Act shall be construed accordingly.
- (2) For the purposes of subsection (1) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.”
- (3) In section 149B of the Capital Gains Tax Act 1979 (miscellaneous exemptions) the following subsections shall be inserted after subsection (9)—
- “(10) In subsections (1)(g) and (h) and (2) above “investments” includes futures contracts and options contracts; and paragraph 7(3)(d) of Schedule 22 to the Taxes Act 1988 shall be construed accordingly.
- (11) For the purposes of subsection (10) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.”
- (4) Section 659 of the Taxes Act 1988 (financial futures and traded options) shall cease to have effect.
- (5) Subsections (1) and (2) above apply in relation to income derived after the day on which this Act is passed.
- (6) Subsection (3) above applies in relation to disposals made after the day on which this Act is passed.
- (7) Insofar as section 659 of the Taxes Act 1988 relates to provisions of that Act, subsection (4) above applies in relation to income derived after the day on which this Act is passed.
- (8) Insofar as section 659 of the Taxes Act 1988 relates to section 149B of the Capital Gains Tax Act 1979, subsection (4) above applies in relation to disposals made after the day on which this Act is passed.