
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1997,
Cross Heading: Amendments of Taxes Management Act 1970. (See end of Document for details)

SCHEDULES

SCHEDULE 10

STOCK LENDING ARRANGEMENTS AND MANUFACTURED PAYMENTS

PART II

MANUFACTURED PAYMENTS

Amendments of Taxes Management Act 1970

- 14 (1) Section 21 of the ^{M1}Taxes Management Act 1970 (information about a market maker's business) shall be amended as follows.
- (2) For subsection (1) there shall be substituted the following subsection—
- “(1) The Board may exercise the powers conferred by this section as respects, and in connection with, any business consisting in or involving dealings in securities; and for the purposes of this section it shall be immaterial whether those dealings are or, as the case may be, were—
- (a) on behalf of persons other than the person carrying on the business;
 - (b) by that person on his own behalf; or
 - (c) a mixture of the two.”
- (3) In subsection (2)—
- (a) for the word “transactions”, in the first place where it occurs, there shall be substituted “ securities transactions ”; and
 - (b) for “market maker” there shall be substituted “ person ”.
- (4) In subsection (3), for “transactions in the course of” there shall be substituted “ securities transactions in the course of any business of a person other than the broker which is ”.
- (5) For subsection (4) there shall be substituted the following subsections—
- “(4) Where a person (“the recipient”) who is not a broker has directly or indirectly received from another person any payment which—
- (a) is made by that other person in the course of a business within subsection (1) above, and
 - (b) is a payment treated by that other person as made in respect of interest on securities,
- the Board may by notice in writing require the recipient to state, within a time specified in the notice, whether the amount received is in whole or in part received on behalf of, or for payment on to, a third person and (if it is) to furnish the name and address of that third person.

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(4A) Where a person (“the payer”) has directly or indirectly paid to another person any sum which—

- (a) constitutes a receipt by that other person in the course of a business within subsection (1) above, and
- (b) is a receipt treated by that other person as accruing in respect of interest on securities,

the Board may by notice in writing require the payer to state, within a time specified in the notice, whether the amount paid is in whole or in part received from, or paid on account of, a third person and (if it is) to furnish the name and address of that third person.”

(6) In subsection (5)—

- (a) for “whether brokers or market makers or not” there shall be substituted “at all”; and
- (b) for “transactions” there shall be substituted “ securities transactions ”.

(7) After that subsection there shall be inserted the following subsection—

“(5A) Where it appears to the Board that a person may have incurred a liability to pay or account for tax under Schedule 23A to the principal Act (manufactured payments), the Board may by notice served on that person require him, within such period (not being less than 28 days) as may be specified in the notice, to provide the Board with information which—

- (a) is available to that person; and
- (b) is or may be relevant to whether that person has incurred such a liability, or to the extent of such a liability.”

(8) For subsection (7) there shall be substituted the following subsection—

“(7) In this section—

“broker” means any person who is a member of a recognised investment exchange, within the meaning of the ^{M2}Financial Services Act 1986;

“interest” includes dividends;

“securities” includes shares and stock; and

“securities transaction” means—

- (a) any transaction in securities;
- (b) any transaction under which a payment which is representative of any interest on a security has been, is to be or may be made; or
- (c) the making or receipt of such a payment.”

Marginal Citations

M1 1970 c. 9.

M2 1986 c. 60.

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