

## SCHEDULES

### SCHEDULE 7

#### SPECIAL TREATMENT FOR CERTAIN DISTRIBUTIONS

##### *Distributions to which Schedule applies*

- 1 (1) Subject to paragraphs 4 to 7 below, this Schedule applies to any qualifying distribution which—
- (a) falls within either or both of sub-paragraphs (2) and (3) below; and
  - (b) is a distribution made on or after 8th October 1996 by a company resident in the United Kingdom.
- (2) A qualifying distribution of a company falls within this sub-paragraph if it is a payment made by that company—
- (a) on the redemption, repayment or purchase of its own shares, or
  - (b) on the purchase of rights to acquire its own shares.
- (3) A qualifying distribution of a company falls within this sub-paragraph if—
- (a) arrangements are or have been made by virtue of which any one or more of the specified matters is or was made referable (in some way and to any extent) to, or to the carrying out of, a transaction in securities; and
  - (b) that transaction is a transaction completed on or after 8th October 1996, or some or all of those arrangements are arrangements made on or after that date.
- (4) For the purposes of this Schedule the specified matters, in relation to a qualifying distribution, are—
- (a) whether the distribution is made,
  - (b) the time when it is made,
  - (c) its form, and
  - (d) its amount.
- (5) In this Schedule—
- “arrangements” means arrangements of any kind, whether in writing or not;
  - “qualifying distribution” has the same meaning as in the Taxes Act 1988;
  - “shares” has the same meaning as in sections 219 to 228 of that Act (purchase of own shares);
  - “transaction in securities” has the same meaning as in Chapter I of Part XVII of that Act (cancellation of tax advantages from certain transactions in securities).