

Changes to legislation: Finance Act 2007, Cross Heading: Ignoring purchase and subsequent sale for purposes of chargeable gains: creditor repos is up to date with all changes known to be in force on or before 15 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 13

SALE AND REPURCHASE OF SECURITIES

Ignoring purchase and subsequent sale for purposes of chargeable gains: creditor repos

- 11 (1) This paragraph applies if—
- (a) a company (“the lender”) has a creditor repo, and
 - (b) the lender (having bought the securities under the arrangement from the borrower) is the only person with the right or obligation under the arrangement to sell those or similar securities at any subsequent time.
- (2) The purchase of the securities, and the subsequent sale of those or similar securities, by the lender under the arrangement are to be ignored for the purposes of corporation tax in respect of chargeable gains (but see sub-paragraph (5)).
- (3) If at any time after the initial purchase of the securities—
- (a) it becomes apparent that the lender will not subsequently sell those or similar securities under the arrangement, or
 - (b) the accounting condition ceases to be met,
- the lender is to be treated for the purposes of corporation tax in respect of chargeable gains as acquiring the securities at that time for a consideration equal to their market value at that time.
- (4) The accounting condition ceases to be met if, in accordance with generally accepted accounting practice, the accounts of the lender for any period after the one in which the advance is made do not record a financial asset in respect of the advance (except as a result of the subsequent sale of the securities or similar securities).
- (5) If sub-paragraph (3) applies because the accounting condition ceases to be met, any subsequent sale of those or similar securities by the lender under the arrangement is not to be ignored for the purposes of corporation tax in respect of chargeable gains as a result of this paragraph.
- (6) For the purposes of this paragraph references to the lender include a partnership of which the lender is a member.

Modifications etc. (not altering text)

- C1 Sch. 13 para. 11 applied (with modifications) (with effect in accordance with reg. 1(1) of the amending S.I.) by [Sale and Repurchase of Securities \(Modification of Schedule 13 to the Finance Act 2007\) Regulations 2007 \(S.I. 2007/2485\)](#), [regs. 1\(1\), 2\(2\), 4\(2\)](#)

Commencement Information

- II Sch. 13 para. 11 in force at 1.10.2007 with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 2](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)