



Finance Act 2013

2013 CHAPTER 29

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 5

OTHER PROVISIONS

Miscellaneous

74 Community investment tax relief

Schedule 27 makes provision about community investment tax relief.

75 Lease premium relief

Schedule 28 makes provision in relation to relief for lease premiums.

76 Manufactured payments: stock lending arrangements

(1) Section 596 of ITA 2007 (deemed manufactured payments: stock lending arrangements) is amended in accordance with subsections (2) and (3).

(2) For subsection (1) substitute—

“(1) This section applies if conditions A to C are met.

(1A) Condition A is that there is a stock lending arrangement in respect of securities.

(1B) Condition B is that a dividend or interest on the securities is paid, as a result of the arrangement, to a person other than the person who is the lender under the arrangement.

Changes to legislation: Finance Act 2013, Cross Heading: Miscellaneous is up to date with all changes known to be in force on or before 02 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

(1C) Condition C is that—

- (a) no provision is made for securing that the lender receives payments representative of the dividend or interest, or
- (b) provision is made for securing that the lender receives—
 - (i) payments representative of the dividend or interest, and
 - (ii) another benefit in respect of the dividend or interest (including the release of the whole or part of any liability to pay an amount)."

(3) In subsection (2), for paragraph (a) substitute—

- “(a) were required, under the arrangement—
- (i) in a case falling within paragraph (a) of subsection (1C), to pay the lender an amount representative of the dividend or interest, or
 - (ii) in a case falling within paragraph (b) of that subsection, to pay the lender an amount representative of the dividend or interest but deducting from that amount any payment mentioned in sub-paragraph (i) of that paragraph on which tax has been, or is to be, charged, and”.

(4) Section 812 of CTA 2010 (deemed manufactured payments: stock lending arrangements) is amended in accordance with subsections (5) to (7).

(5) For subsection (1) substitute—

“(1) This section applies if conditions A to C are met.

(1A) Condition A is that there is a stock lending arrangement in respect of securities.

(1B) Condition B is that a dividend or interest on the securities is paid, as a result of the arrangement, to a person other than the person who is the lender under the arrangement.

(1C) Condition C is that—

- (a) no provision is made for securing that the lender receives payments representative of the dividend or interest, or
- (b) provision is made for securing that the lender receives—
 - (i) payments representative of the dividend or interest, and
 - (ii) another benefit in respect of the dividend or interest (including the release of the whole or part of any liability to pay an amount)."

(6) In subsection (2), for paragraph (a) substitute—

- “(a) were required, under the arrangement—
- (i) in a case falling within paragraph (a) of subsection (1C), to pay the lender an amount representative of the dividend or interest, or
 - (ii) in a case falling within paragraph (b) of that subsection, to pay the lender an amount representative of the dividend or interest but deducting from that amount any payment mentioned in

Changes to legislation: Finance Act 2013, Cross Heading: Miscellaneous is up to date with all changes known to be in force on or before 02 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

sub-paragraph (i) of that paragraph on which tax has been, or is to be, charged, and”.

(7) After subsection (6) insert—

“(7) This section has effect regardless of section 358 of CTA 2009 (exclusion of credits on release of connected companies debts) or any other provision of Part 5 of that Act (loan relationships) which prevents a credit from being brought into account.”

(8) The amendments made by this section have effect in relation to cases in which a dividend or interest is paid, or is treated as paid, on or after 5 December 2012.

77 Manufactured payments: general

Schedule 29 contains provision for, and in connection with, the application of the Tax Acts to manufactured payment relationships and payments representative of dividends and interest.

78 Relationship between rules prohibiting and allowing deductions

(1) In section 31 of ITTOIA 2005 (trade profits: relationship between rules prohibiting and allowing deductions)—

(a) after subsection (1) insert—

“(1A) But, if the relevant permissive rule would allow a deduction in calculating the profits of a trade in respect of an amount which arises directly or indirectly in consequence of, or otherwise in connection with, relevant tax avoidance arrangements, that rule—

- (a) does not have priority under subsection (1)(a), and
- (b) is subject to any relevant prohibitive rule in this Part (and to the provisions mentioned in subsection (1)(b)).”, and”

(b) after subsection (3) insert—

“(4) In this section “relevant tax avoidance arrangements” means arrangements—

- (a) to which the person carrying on the trade is a party, and
- (b) the main purpose, or one of the main purposes, of which is the obtaining of a tax advantage (within the meaning of section 1139 of CTA 2010).

“Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”

(2) In section 274 of ITTOIA 2005 (property businesses: relationship between rules prohibiting and allowing deductions)—

(a) after subsection (1) insert—

“(1A) But, if the relevant permissive rule would allow a deduction in calculating the profits of a property business in respect of an amount which arises directly or indirectly in consequence of, or otherwise in connection with, relevant tax avoidance arrangements, that rule—

- (a) does not have priority under subsection (1)(a), and

Changes to legislation: Finance Act 2013, Cross Heading: Miscellaneous is up to date with all changes known to be in force on or before 02 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

- (b) is subject to any relevant prohibitive rule in this Part (and to the provisions mentioned in subsection (1)(b)).”, and”
- (b) after subsection (3) insert—
 - “(3A) In this section “relevant tax avoidance arrangements” means arrangements—
 - (a) to which the person carrying on the property business is a party, and
 - (b) the main purpose, or one of the main purposes, of which is the obtaining of a tax advantage (within the meaning of section 1139 of CTA 2010).
 - “Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”
- (3) In section 51 of CTA 2009 (trade profits: relationship between rules prohibiting and allowing deductions)—
 - (a) after subsection (1) insert—
 - “(1A) But, if the relevant permissive rule would allow a deduction in calculating the profits of a trade in respect of an amount which arises directly or indirectly in consequence of, or otherwise in connection with, relevant tax avoidance arrangements, that rule—
 - (a) does not have priority under subsection (1)(a), and
 - (b) is subject to any relevant prohibitive rule (and to the provisions mentioned in subsection (1)(b)).”, and
 - (b) after subsection (3) insert—
 - “(4) In this section “relevant tax avoidance arrangements” means arrangements—
 - (a) to which the company carrying on the trade is a party, and
 - (b) the main purpose, or one of the main purposes, of which is the obtaining of a tax advantage (within the meaning of section 1139 of CTA 2010).
 - “Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”
- (4) In section 214 of CTA 2009 (property businesses: relationship between rules prohibiting and allowing deductions)—
 - (a) after subsection (1) insert—
 - “(1A) But, if the relevant permissive rule would allow a deduction in calculating the profits of a property business in respect of an amount which arises directly or indirectly in consequence of, or otherwise in connection with, relevant tax avoidance arrangements, that rule—
 - (a) does not have priority under subsection (1)(a), and
 - (b) is subject to any relevant prohibitive rule (and to the provisions mentioned in subsection (1)(b)).”, and
 - (b) after subsection (3) insert—

Changes to legislation: Finance Act 2013, Cross Heading: Miscellaneous is up to date with all changes known to be in force on or before 02 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

“(3A) In this section “relevant tax avoidance arrangements” means arrangements—

- (a) to which the company carrying on the property business is a party, and
- (b) the main purpose, or one of the main purposes, of which is the obtaining of a tax advantage (within the meaning of section 1139 of CTA 2010).

“Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”

- (5) The amendments made by this section have effect in relation to deductions in respect of amounts which arise directly or indirectly in consequence of, or otherwise in connection with—
 - (a) arrangements which are entered into on or after 21 December 2012, or
 - (b) any transaction forming part of arrangements which is entered into on or after that date.
- (6) But those amendments do not have effect where the arrangements are, or any such transaction is, entered into pursuant to an unconditional obligation in a contract made before that date.
- (7) “An unconditional obligation” means an obligation which may not be varied or extinguished by the exercise of a right (whether under the contract or otherwise).

79 Close companies

Schedule 30 (which makes provision about close companies) has effect.

Changes to legislation:

Finance Act 2013, Cross Heading: Miscellaneous is up to date with all changes known to be in force on or before 02 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.

[View outstanding changes](#)

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):

- Sch. 43C para. 8(5)(e) and word inserted by [2021 c. 26 Sch. 27 para. 42\(b\)\(ii\)](#)
- Sch. 43C para. 8(6)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(i\)\(b\)](#)
- Sch. 43C para. 8(6)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(ii\)\(b\)](#)
- Sch. 43C para. 8(6)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(iii\)\(b\)](#)
- Sch. 43C para. 8(6)(d)(iv) words substituted by [2021 c. 26 Sch. 27 para. 42\(c\)\(iv\)\(b\)](#)