
STATUTORY INSTRUMENTS

1996 No. 1226

INCOME TAX

**The Income Tax (Unapproved
Manufactured Payments) Regulations 1996**

<i>Made</i>	- - - -	<i>7th May 1996</i>
<i>Laid before the House of Commons</i>	- - - -	<i>7th May 1996</i>
<i>Coming into force</i>	- -	<i>28th May 1996</i>

The Treasury, in exercise of the powers conferred on them by paragraph 1(1) and (2)(b) of Schedule 23A to the Income and Corporation Taxes Act 1988⁽¹⁾, hereby make the following Regulations:

1. These Regulations may be cited as the Income Tax (Unapproved Manufactured Payments) Regulations 1996 and shall come into force on 28th May 1996.

2. For the definition of “unapproved manufactured payment” in paragraph 1(1) of Schedule 23A to the Income and Corporation Taxes Act 1988⁽²⁾ there shall be substituted the following definition—

““unapproved manufactured payment”, subject to any regulations under sub-paragraph (2) below, means—

- (a) any manufactured dividend paid in connection with an unapproved stock lending arrangement, and
- (b) any manufactured dividend not falling within paragraph (a) above which is paid in respect of United Kingdom equities by a person other than one who is—
 - (i) a market maker in relation to United Kingdom equities of the kind in question, or
 - (ii) in such circumstances as may be prescribed, a member, of a prescribed class or description, of a prescribed recognised investment exchange, or
 - (iii) in such circumstances as may be prescribed, a prescribed recognised clearing house,

and which is so paid otherwise than in connection with an approved stock lending arrangement;”.

(1) 1988 c. 1. Schedule 23A was inserted by paragraph 1 of Schedule 13 to the Finance Act 1991 (c. 31). See the definition of “dividend manufacturing regulations” in paragraph 1(1) of Schedule 23A.

(2) The definition was previously amended by S.I.1992/2074, regulation 2A (inserted by S.I. 1995/3221, regulation 4).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

7th May 1996

Simon Burns
Michael Bates
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations substitute a new definition of “unapproved manufactured payment” in paragraph 1(1) of Schedule 23A to the Income and Corporation Taxes Act 1988 (“Schedule 23A”) so that the definition relates only to manufactured dividends paid in respect of United Kingdom equities.

The substitution is made in consequence of the repeal by paragraph 52(6) of Schedule 14 to the Finance Act 1996 (c. 8) of those provisions in paragraph 6 of Schedule 23A that relate to unapproved manufactured payments in respect of securities other than United Kingdom equities. The repeals coincide with the enactment of provisions contained in Chapter II of Part IV of the Finance Act 1996 relating to corporate loan relationships.