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STATUTORY INSTRUMENTS

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**1997 No. 987**

**INCOME TAX**

**The Stock Lending and Manufactured Payments  
(Revocations and Amendments) Regulations 1997**

<i>Made</i>	- - - -	<i>20th March 1997</i>
<i>Laid before the House of Commons</i>	- - - -	<i>20th March 1997</i>
<i>Coming into force</i>	- -	<i>1st July 1997</i>

The Treasury, in exercise of the powers conferred on them by sections 51B(1) to (4), 129 and 737(6), (7A) and (7B) of, and paragraphs 1(1), (2)(b) and 8 of Schedule 23A to, the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Stock Lending and Manufactured Payments (Revocations and Amendments) Regulations 1997 and shall come into force on 1st July 1997.

**Revocations—Stock Lending Regulations**

2. The Regulations specified in Schedule 1 to these Regulations are hereby revoked except in relation to any arrangement mentioned in subsection (1), (2) or (2A) of section 129 of the Income and Corporation Taxes Act 1988 that is entered into before 1st July 1997.

**Revocation—Dividend Manufacturing Regulations**

3. The Income Tax (Dividend Manufacturing) Regulations 1992(2) are hereby revoked except in relation to any payment of a manufactured dividend to which those Regulations apply that is made before 1st July 1997.

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(1) 1988 c. 1. Section 51B was inserted by section 78(1) of the Finance Act 1995 (c. 4). Section 129 was amended by section 57 of the Finance Act 1991 (c. 31), paragraph 14(8) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12), and section 84(1) to (4) of, and Part VIII(9) of Schedule 29 to, the Finance Act 1995. Subsection (6) of section 737 was amended by paragraph 3(6), and subsections (7A) and (7B) were inserted by paragraph 3(7), of Schedule 13 to the Finance Act 1991. Schedule 23A was inserted by paragraph 1 of Schedule 13 to the Finance Act 1991, and paragraph 8 of Schedule 23A was amended by section 159(7) and (8) of the Finance Act 1996 (c. 8). See also the definitions of “dividend manufacturing regulations” and “unapproved manufactured payment” in paragraph 1(1) of Schedule 23A.

(2) S.I. 1992/569.

### **Revocation—Manufactured Interest Regulations**

4. The Regulations specified in Schedule 2 to these Regulations are hereby revoked except in relation to any payment of manufactured interest to which those Regulations apply that is made before 1st July 1997.

### **Revocation—Unapproved Manufactured Payments Regulations**

5. The Income Tax (Unapproved Manufactured Payments) Regulations 1996(3) are hereby revoked except in relation to any payment of a manufactured dividend to which those Regulations apply that is made before 1st July 1997.

### **Revocation—Manufactured Dividends (Tradepoint) Regulations**

6. The Income Tax (Manufactured Dividends) (Tradepoint) Regulations 1995(4) are hereby revoked except in relation to any payment of a manufactured dividend to which those Regulations apply that is made before 1st July 1997.

### **Amendments—Gilt-edged Securities Regulations**

7.—(1) In each of the provisions specified in paragraph (2), for “3A” there shall be substituted “3A(2)(a)”.

(2) The provisions specified are—

- (a) the definition of “manufactured payment” in regulation 2(1) of the Gilt-edged Securities (Periodic Accounting for Tax on Interest) Regulations 1995(5);
- (b) the definition of “manufactured payment” in regulation 2(1) of the Lloyd’s Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995(6);
- (c) regulation 6 of the Insurance Companies (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995(7), in sub-paragraphs (5)(b) and (15) of the inserted paragraph 1A of Schedule 19AB to the Income and Corporation Taxes Act 1988.

### **Amendments—Manufactured Overseas Dividends Regulations**

8.—(1) The Income Tax (Manufactured Overseas Dividends) Regulations 1993(8) shall be amended in accordance with paragraphs (2) to (4).

- (2) In regulation 2B(1)(9) the words “, and paragraph 5”, shall be omitted.
- (3) Regulation 7A(10) shall be omitted.
- (4) Regulation 16(11) shall be omitted.
- (5) The omission of regulation 16 by paragraph (4) shall have effect in relation to—
  - (a) transactions entered into on or after 1st July 1997 in respect of which information may be obtained under section 21 of the Taxes Management Act 1970(12), and

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(3) S.I. 1996/1226.

(4) S.I. 1995/2052.

(5) S.I. 1995/3224, to which there are amendments not relevant to these Regulations.

(6) S.I. 1995/3225, to which there are amendments not relevant to these Regulations.

(7) S.I. 1995/3223, to which there are amendments not relevant to these Regulations.

(8) S.I. 1993/2004, amended by S.I. 1995/1324, 1996/1229 and 2643 and 1997/988.

(9) Regulation 2B was inserted by regulation 4 of S.I. 1996/2643.

(10) Regulation 7A was inserted by regulation 9 of S.I. 1996/2643.

(11) Regulation 16 was substituted by regulation 9 of S.I. 1996/1229.

(12) 1970 c. 9; section 21 was amended by paragraph 5(a) of Schedule 21, and Part IV of Schedule 22, to the Finance Act 1973 (c. 51), by paragraph 7(1), (2) and (3) of Schedule 18 to the Finance Act 1986, and by paragraph 14 of Schedule 10 to the

- (b) payments made on or after that date (whether under transactions entered into before, or under transactions entered into on or after, that date) in respect of which information may be obtained under that section.

20th March 1997

*Roger Knapman*  
*Richard Ottaway*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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

## SCHEDULE 1

Regulation 2

## REVOCATIONS—STOCK LENDING REGULATIONS

<i>Regulations revoked</i>	<i>References</i>
The Income Tax (Stock Lending) Regulations 1989.	S.I. <a href="#">1989/1299</a> .
The Income Tax (Stock Lending) (Amendment) Regulations 1990.	S.I. <a href="#">1990/2552</a> .
The Income Tax (Stock Lending) (Amendment) Regulations 1992.	S.I. <a href="#">1992/572</a> .
The Income Tax (Stock Lending) (Amendment) Regulations 1993.	S.I. <a href="#">1993/2003</a> .
The Income Tax (Stock Lending) (Amendment) Regulations 1995.	S.I. <a href="#">1995/1283</a> .
The Income Tax (Stock Lending) (Amendment No. 2) Regulations 1995.	S.I. <a href="#">1995/3219</a> .
The Income Tax (Stock Lending) (Amendment) Regulations 1996.	S.I. <a href="#">1996/1228</a> .

## SCHEDULE 2

Regulation 4

## REVOCATIONS—MANUFACTURED INTEREST REGULATIONS

<i>Regulations revoked</i>	<i>References</i>
The Income Tax (Manufactured Interest) Regulations 1992.	S.I. <a href="#">1992/2074</a> .
The Income Tax (Manufactured Interest) (Amendment) Regulations 1995.	S.I. <a href="#">1995/3221</a> .
The Income Tax (Manufactured Interest) (Amendment) Regulations 1996.	S.I. <a href="#">1996/1227</a> .

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations revoke certain Regulations, and amend other Regulations, relating to stock lending arrangements and manufactured payments. The revocations and amendments reflect changes

to simplify the tax treatment of stock lending arrangements and manufactured payments made by Schedule 10 to the Finance Act 1997 (c. 16).

Regulation 1 provides for citation and commencement.

Regulation 2 and Schedule 1 revoke the Income Tax (Stock Lending) Regulations 1989 (S.I. 1989/1299), together with subsequent Regulations amending those Regulations, in relation to stock lending arrangements entered into on or after 1st July 1997.

Regulation 3 revokes the Income Tax (Dividend Manufacturing) Regulations 1992 (S.I. 1992/569) in relation to payments of manufactured dividends on United Kingdom equities made on or after 1st July 1997.

Regulation 4 and Schedule 2 revoke the Income Tax (Manufactured Interest) Regulations 1992 (S.I. 1992/2074), together with subsequent Regulations amending those Regulations, in relation to payments of manufactured interest made on or after 1st July 1997.

Regulation 5 revokes the Income Tax (Unapproved Manufactured Payments) Regulations 1996 (S.I. 1996/1226) in relation to payments of manufactured dividends on United Kingdom equities made on or after 1st July 1997.

Regulation 6 revokes the Income Tax (Manufactured Dividends) (Tradepoint) Regulations 1995 (S.I. 1995/2052) in relation to payments of manufactured dividends on United Kingdom equities made on or after 1st July 1997.

Regulation 7 makes amendments to three sets of Regulations relating to gilt-edged securities in consequence of an amendment made to Schedule 23A to the Income and Corporation Taxes Act 1988 (manufactured payments and interest) (“Schedule 23A”) by paragraph 11(1) of Schedule 10 to the Finance Act 1997. Those Regulations are the Gilt-edged Securities (Periodic Accounting for Tax on Interest) Regulations 1995 (S.I. 1995/3224), the Lloyd’s Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations (S.I. 1995/3225) and the Insurance Companies (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995 (S.I. 1995/3223).

Regulation 8 amends the Income Tax (Manufactured Overseas Dividends) Regulations 1993 (S.I. 1993/2004) in consequence of the amendments made to Schedule 23A by paragraphs 12 and 14 of Schedule 10 to the Finance Act 1997.