
STATUTORY INSTRUMENTS

1998 No. 3177

The European Single Currency (Taxes) Regulations 1998

PART IV

AGREEMENTS FOR SALE AND REPURCHASE OF SECURITIES

Payment made or deemed to be made by interim holder in respect of euroconversion—chargeable gains consequences

- 18.**—(1) This regulation applies in a case where—
- (a) there is an arrangement for the sale and repurchase of securities to which section 263A(1) of the 1992 Act applies, and
 - (b) as a result of a euroconversion of those securities, a payment representative of a capital payment is made, or treated under regulation 16(2) or 17(5) as made (“deemed payment”), by the interim holder to the original owner or the transferor or a person connected with him.
- (2) The payment or deemed payment shall be treated, for the purposes of the 1992 Act—
- (a) where the original owner and the repurchaser are the same person, as a capital payment received by the original owner in respect of the euroconversion of the securities concerned on such date as, on a just and reasonable view, may be inferred from the terms of the arrangement to be the date when the original owner would, but for the arrangement, have received a capital payment in respect of which the payment or deemed payment is made;
 - (b) where the original owner and the repurchaser are not the same person and so far as concerns persons other than the interim holder, as reducing the repurchase price; and
 - (c) as deductible by the interim holder in computing any capital gain arising—
 - (i) on a disposal of the securities received by the interim holder under the arrangement, or
 - (ii) where there has been an exchange of those securities as a result of the euroconversion, on a disposal of the securities received by the interim holder in exchange for the original securities received by him under the arrangement.