



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XVII

TAX AVOIDANCE

CHAPTER II

TRANSFERS OF SECURITIES

Transfers with or without accrued interest: introductory

711 Meaning of “interest”, “transfers with or without accrued interest” etc.

- (1) ^{M1}This section has effect for the interpretation of sections 710 and 712 to 728.
- (2) An interest payment day, in relation to securities, is a day on which interest on them is payable; and, in a case where a particular payment of interest may be made on one of a number of days, the interest is for the purposes of this subsection payable on the first of those days.
- (3) Subject to subsection (4) below, the following are interest periods in relation to securities—
 - (a) the period beginning with the day following that on which they are issued and ending with the first interest payment day to fall;
 - (b) the period beginning with the day following one interest payment day and ending with the next to fall.
- (4) A period which would (apart from this subsection) be an interest period exceeding 12 months (“a long period”) is not an interest period, but the following shall apply to it—
 - (a) the period of 12 months beginning with the day on which it begins is an interest period;
 - (b) each successive period (if any) of 12 months falling within it is an interest period;

Status: Point in time view as at 16/07/1992. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 711 is up to date with all changes known to be in force on or before 01 June 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)

- (c) any period of it which remains after applying paragraphs (a) and (b) above is an interest period.
- (5) Securities are transferred with accrued interest if they are transferred with the right to receive interest payable on—
- (a) the settlement day, if that is an interest payment day; or
 - (b) the next (or first) interest payment day to fall after the settlement day, in any other case;
- and they are transferred without accrued interest if they are transferred without that right.
- (6) ^{M2}Where section 710(13), 715(3), 720(4), 721(1), [^{F1}722(1) or (2) or 724(1A)] applies, the transfer shall be treated as made with accrued interest if the person treated as making the transfer was entitled to receive in respect of the securities interest payable on—
- (a) the settlement day, if that is an interest payment day; or
 - (b) the next (or first) interest payment day to fall after that day, in any other case;
- and they shall be treated as transferred without accrued interest if he was not so entitled.
- (7) ^{M3}The interest applicable to securities for an interest period is, subject to subsection (8) below, the interest payable on them on the interest payment day with which the period ends.
- (8) In the case of a period which is an interest period by virtue only of subsection (4) above or section 725(9)—
- (a) the interest applicable to securities for the period is the interest payable on them on the interest payment day with which the long or straddling period concerned ends; and
 - (b) section 713(6) shall have effect as if the references to the period were to the long or straddling period concerned.
- (9) “Interest” includes dividends and any other return (however described) except a return consisting of an amount by which the amount payable on a security’s redemption exceeds its issue price.

Textual Amendments

F1 1990 s.41 and Sch.6 para.9(2) on and after 24 May 1990 subject to the commencement provisions of paras.11 and 12. Previously “or 722(1) or (2)”.

Marginal Citations

M1 Source—1985 Sch.23 3(1)-(5)
M2 Source—1985 Sch.23 14(2), 31(2), 12(2), 13(3), 7(2)
M3 Source—1985 Sch.23 3(6)-(8)

Status:

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