



Finance Act 1995

1995 CHAPTER 4

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Securities

80 Treatment of price differential on sale and repurchase of securities.

^{F1}(1)

[^{F2}(2) In section 729 of that Act (sale and repurchase of securities), after subsection (5) there shall be inserted the following subsection—

“(5A) This section shall not apply where section 737A applies; and this section shall be disregarded in determining whether the condition in subsection (2)(b) of that section is fulfilled in any case.”]

^{F3}(3)

(4) After section 263 of the ^{M1}Taxation of Chargeable Gains Act 1992 there shall be inserted the following section—

“263A Agreements for sale and repurchase of securities.

(1) Subject to subsections (2) to (4) below, in any case falling within subsection (1) of section 730A of the Taxes Act (treatment of price differential on sale and repurchase of securities) and in any case which would fall within that subsection if the sale price and the repurchase price were different—

- (a) the acquisition of the securities in question by the interim holder and the disposal of those securities by him to the repurchaser, and
- (b) except where the repurchaser is or may be different from the original owner, the disposal of those securities by the original owner and

*Changes to legislation: There are currently no known outstanding effects
 for the Finance Act 1995, Section 80. (See end of Document for details)*

any acquisition of those securities by the original owner as the repurchaser,
 shall be disregarded for the purposes of capital gains tax.

- (2) Subsection (1) above does not apply in any case where the repurchase price of the securities in question falls to be calculated for the purposes of section 730A of the Taxes Act by reference to provisions of section 737C of that Act that are not in force in relation to those securities when the repurchase price becomes due.
- (3) Subsection (1) above does not apply if—
- (a) the agreement or agreements under which provision is made for the sale and repurchase are not such as would be entered into by persons dealing with each other at arm's length; or
 - (b) any of the benefits or risks arising from fluctuations, before the repurchase takes place, in the market value of the securities sold accrues to, or falls on, the interim holder.
- (4) Subsection (1) above does not apply in relation to any disposal or acquisition of qualifying corporate bonds in a case where the securities disposed of by the original owner or those acquired by him, or by any other person, as the repurchaser are not such bonds.
- (5) Expressions used in this section and in section 730A of the Taxes Act have the same meanings in this section as in that section.”
- (5) This section shall have effect where the agreement to sell the securities is entered into on or after the date on which this Act is passed.

Textual Amendments

- F1** S. 80(1) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)
- F2** S. 80(2) repealed (29.4.1996 with effect as mentioned in [s. 159\(1\)](#) of the amending Act) by [1996 c. 8, s. 205](#), [Sch. 41 Pt. V\(21\)](#) Note 1
- F3** S. 80(3) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)
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Marginal Citations

- M1** [1992 c. 12](#).

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