
Changes to legislation: Finance Act 2007, Cross Heading: Taxation of Chargeable Gains Act 1992 (c. 12) is up to date with all changes known to be in force on or before 28 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) View outstanding changes

SCHEDULES

SCHEDULE 14

SALE AND REPURCHASE OF SECURITIES: MINOR AND CONSEQUENTIAL AMENDMENTS

Taxation of Chargeable Gains Act 1992 (c. 12)

- 11 TCGA 1992 is amended as follows.
- 12 (1) Section 263A (agreements for sale and repurchase of securities) is amended as follows.
- (2) In subsection (1), for the words from the beginning to “were different” substitute “Subject to subsections (3) and (4) below, in any case falling within section 607(1) of ITA 2007 (treatment of price differences under repos) ”.
- (3) After that subsection insert—
- “(1A) If, at any time after the acquisition mentioned in subsection (1)(a) above, it becomes apparent that the interim holder will not dispose of the securities to the repurchaser, the interim holder shall be treated for the purposes of capital gains tax as acquiring them at that time for a consideration equal to their market value at that time.
- (1B) If, at any time after the disposal mentioned in subsection (1)(b) above, it becomes apparent that the original owner will not acquire the securities as the repurchaser, the original owner shall be treated for the purposes of capital gains tax as disposing of them at that time for a consideration equal to their market value at that time.”
- (4) Omit subsection (2).
- (5) For subsections (5) and (6) substitute—
- “(5) Expressions used in this section and section 607 of ITA 2007 have the same meaning in this section as in that section.
- (6) This section does not apply for the purposes of corporation tax in respect of chargeable gains.”
- (6) The heading accordingly becomes “ **Agreements for sale and repurchase of securities: capital gains tax** ”.

Commencement Information

- II** Sch. 14 para. 12 in force at 1.10.2007 for the purposes of the amendments made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

- 13 (1) For paragraph 12 of Schedule 7AC substitute—

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- “12 (1) This paragraph applies where—
- (a) a company (“the borrower”) which holds shares in another company sells the shares under an arrangement by reference to which the borrower has a debtor repo, and
 - (b) by virtue of paragraph 6 of Schedule 13 to the Finance Act 2007 (sale and repurchase of securities) the sale is ignored for the purposes of corporation tax in respect of chargeable gains.
- (2) For the period for which the arrangement is in force—
- (a) the borrower shall be treated for the purposes of this Part as continuing to hold the shares and accordingly as retaining its entitlement to any rights attaching to them, and
 - (b) the lender shall be treated for those purposes as not holding the shares and as not becoming entitled to any such rights.
- This is subject to the following qualification.
- (3) If at any time before the end of that period the borrower, or another member of the same group as the borrower, becomes the holder—
- (a) of any of the shares, or
 - (b) of any shares directly or indirectly representing any of them,
- sub-paragraph (2) does not apply after that time in relation to those shares or, as the case may be, the shares represented by them.
- (4) Expressions used in this paragraph and in Schedule 13 to the Finance Act 2007 have the same meaning in this paragraph as in that Schedule.”

Commencement Information

- I2** Sch. 14 para. 13 in force at 1.10.2007 for the purposes of the amendments made by that paragraph, with effect in relation to an arrangement that comes into force on or after 1.10.2007 by [S.I. 2007/2483](#), [art. 3](#)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)