

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations supplement the definition of “financial instrument” in section 259N of the Taxation (International and Other Provisions) Act 2010 (c. 8) which falls within Part 6A of that Act (hybrid and other mismatches).

Section 259N(1) defines “financial instrument”. Under section 259N(3), “financial instrument” does not include a hybrid transfer arrangement (within the meaning given by section 259DB) or anything of a description specified in regulations made by the Treasury. These Regulations specify other things which are not a “financial instrument”.

These Regulations have effect in relation to payments made on or after 1st January 2019 and quasi-payments in relation to which the payment period begins on or after that date. Authority for the retrospective effect is given by section 19(8) of the Finance Act 2019 (c. 1).

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.