STATUTORY INSTRUMENTS

2007 No. 2130

INCOME TAX

The Employment Income (Meaning of Securities) Order 2007

Made - - - -	*23rd July 2007*
Laid before the House of Commons	*24th July 2007*
Coming into force - -	*14th August 2007*

The Treasury make the following Order in exercise of the powers conferred by section 420(6) of the Income Tax (Earnings and Pensions) Act 2003(**a**).

Citation and commencement

1. This Order may be cited as the Employment Income (Meaning of Securities) Order 2007 and shall come into force on 14th August 2007.

Amendment of section 420 of the Income Tax (Earnings and Pensions) Act 2003

2. In section 420(1) of the Income Tax (Earnings and Pensions) Act 2003(**b**)—

(a) omit the word "and" at the end of paragraph (f),

(b) at the end of paragraph (g) insert ", and", and after paragraph (g) insert—

"(h) arrangements falling within section 48A of the Finance Act 2005(**c**) (alternative finance arrangements: alternative finance investment bond).".

Frank Roy
Alan Campbell
23rd July 2007 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 2003 c. 1; section 420 was substituted by paragraph 2 of Schedule 22 to the Finance Act 2003 (c. 14).
(**b**) Subsection (1) of section 420 was amended by paragraph 2(2) to (4) of Schedule 2 to the Finance (No. 2) Act 2005 (c. 22) and by section 92(2) of the Finance Act 2006 (c. 25).
(**c**) 2005 c. 7; section 48A was inserted by section 53 of the Finance Act 2007 (c.11).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the meaning of the expression "securities" in section 420(1) of the Income Tax (Earnings and Pensions) Act 2003 to include arrangements falling within section 48A of the Finance Act 2005 (alternative finance arrangements: alternative investment bond). This Order reflects the change in law resulting from the enactment of section 48B(3) of the Finance Act 2005 which was inserted by section 53 of the Finance Act 2007.

The amendment made by this Order falls within the scope of a full regulatory impact assessment. That assessment was prepared by HM Revenue and Customs in respect of the effect that Part 4 of the Finance Bill of the 2006-07 session will have on the costs of business and the voluntary sector. The assessment, which was published on 13 March 2007, is annexed to the Explanatory Memorandum which is available alongside the instrument on the OPSI website.

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