STATUTORY INSTRUMENTS

2007 No. 2484

CORPORATION TAX

INCOME TAX

The Sale and Repurchase of Securities (Amendment of Instruments) Order 2007

Made - - - -	*30th August 2007*
Laid before the House of Commons	*31st August 2007*
Coming into force - -	*1st October 2007*

The Treasury make the following Order in exercise of the powers conferred by section 47(3) and (5) of the Finance Act 2007(**a**).

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Sale and Repurchase of Securities (Amendment of Instruments) Order 2007, shall come into force on 1st October 2007, and shall have effect in relation to arrangements that come into force on or after that day.

(2) Paragraph 14(6) of Schedule 13 to the Finance Act 2007 applies for the purpose of determining the times at which an arrangement is in force.

Amendment of the Manufactured Overseas Dividends (French Indemnity Payments) Regulations 1996 (S.I. 1996/1826)

2.—(1) The Manufactured Overseas Dividends (French Indemnity Payments) Regulations 1996(**b**) are amended as follows.

(2) In regulation 2 (interpretation) for paragraph (3) substitute—

"(3) For the purposes of the Income Tax Acts references in these Regulations to "the sale and repurchase of French equities" include an arrangement which—

(a) involves the sale of French equities and the subsequent purchase of French equities, and

(b) is a repo.

(4) In paragraph (3) "repo" shall be construed in accordance with section 569 of the Income Tax Act 2007(**c**) (read, if appropriate, with the modifications made by the Sale and Repurchase of Securities (Modification of Enactments) Regulations 2007)(**d**).

(**a**) 2007 c. 11.
(**b**) S.I. 1996/1826, to which there are amendments not relevant to these Regulations.
(**c**) 2007 c. 3.
(**d**) S.I. 2007/2486

(5) For the purposes of the Corporation Tax Acts references in these Regulations to "the sale and repurchase of French equities" include an arrangement which—

(a) involves the sale of French equities and the subsequent purchase of French equities, and

(b) is a debtor repo, a debtor quasi-repo, a creditor repo or a creditor quasi-repo.

(6) In paragraph (5) "debtor repo", "debtor quasi-repo", "creditor repo" and "creditor quasi-repo" shall be construed in accordance with Schedule 13 to the Finance Act 2007 (read, if appropriate, with the modifications made by the Sale and Repurchase of Securities (Modification of Schedule 13 to the Finance Act 2007) Regulations 2007(**a**)).".

Amendment of the European Single Currency (Taxes) Regulations 1998 (S.I. 1998/3177)

3.—(1) The European Single Currency (Taxes) Regulations 1998(**b**) are amended as follows.

(2) In regulation 14 (replacement of securities in a euroconversion) after paragraph (3) insert—

"(4) The new securities which replace the old securities shall be regarded as similar securities for the purposes of paragraphs 2 and 7 of Schedule 13 to the Finance Act 2007.

(5) In paragraph (4) the reference to similar securities shall be construed in accordance with paragraph 14(4) of Schedule 13 to the Finance Act 2007.".

(3) Regulation 19 (euroconversion – loan relationships consequences) is revoked.

Amendment of the Tax Avoidance Schemes (Prescribed Descriptions of Arrangements) Regulations 2006 (S.I. 2006/1543)

4.—(1) The Tax Avoidance Schemes (Prescribed Descriptions of Arrangements) Regulations 2006 are amended as follows.

(2) In regulation 9(2) (description 4: off market terms: financial products), after sub-paragraph (c) insert—

"(ca) an arrangement which is a debtor repo, a debtor quasi-repo, a creditor repo or a creditor quasi-repo (within the meanings given by Schedule 13 to the Finance Act 2007);".

Revocation of the Sale and Repurchase of Securities (Modification of Enactments) Regulations 1995 (S.I. 1995/3220)

5. The Sale and Repurchase of Securities (Modification of Enactments) Regulations 1995 are revoked.

Steve McCabe
Claire Ward

30th August 2007 — Two of the Lords Commissioners of Her Majesty's Treasury

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(**a**) S.I. 2007/2485
(**b**) S.I. 1998/3177, to which there are amendments not relevant to these Regulations.

EXPLANATORY NOTE

(This note is not part of the Order)

The Finance Act 2007 makes new provision relating to arrangements involving the sale and purchase of securities (more commonly known as "repos").

This Order is made under powers conferred by the new legislation. Articles 2 to 4 amend existing Regulations to take account of the new provisions relating to repos; and article 5 revokes the Sale and Purchase of Securities (Modification of Enactments) Regulations 1995 (S.I. 1995/3220).

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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