



Income Tax Act 2007

2007 CHAPTER 3

[^{F1}PART 10A

ALTERNATIVE FINANCE ARRANGEMENTS]

[^{F1}Arrangements that are alternative finance arrangements

[^{F1}564C Purchase and resale arrangements

- (1) This section applies to arrangements if—
- (a) they are entered into between two persons (“the first purchaser” and “the second purchaser”), [^{F2}and—
 - (i) at least one of those persons is a financial institution, or
 - (ii) the arrangements are regulated electronic system facilitated arrangements, and]
 - (b) under the arrangements—
 - (i) the first purchaser purchases an asset and sells it to the second purchaser,
 - (ii) the sale occurs immediately after the purchase or in the circumstances mentioned in subsection (2),
 - (iii) all or part of the second purchase price is not required to be paid until a date later than that of the sale,
 - (iv) the second purchase price exceeds the first purchase price, and
 - (v) the excess equates, in substance, to the return on an investment of money at interest.
- (2) The circumstances are that—
- (a) the first purchaser is a financial institution, and
 - (b) the asset referred to in subsection (1)(b)(i) was purchased by the first purchaser for the purpose of entering into arrangements within this section.

[Arrangements are regulated electronic system facilitated arrangements if—

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- ^{F3}(2A) (a) the arrangements substantially consist of an article 36H agreement in relation to the deferral of the payment of all or part of the second purchase price,
- (b) the first purchaser would be regarded, for the purposes of that agreement, as the lender under it,
- (c) the second purchaser would be regarded, for the purposes of that agreement, as the borrower under it, and
- (d) those purchasers becoming parties to the agreement was facilitated by an electronic system operated by a person who has permission under Part 4A of FISMA 2000 to carry on, in relation to that system, the regulated activity specified in article 36H(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([S.I. 2001/544](#)) (operating an electronic system in relation to lending).]

(3) In this section—

“the first purchase price” means the amount paid by the first purchaser in respect of the purchase, ^{F4}...

“the second purchase price” means the amount payable by the second purchaser in respect of the sale.

[^{F5}“article 36H agreement” has the meaning given by article 36H(4) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, and

“borrower” and “lender” are to be construed in accordance with article 36H(9) of that Order.]

(4) This section is subject to section 564H (provision not at arm's length: exclusion of arrangements from this section and sections 564D to 564G).]

Textual Amendments

- F1** S. 564C and cross-heading inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 2 para. 4** (with Sch. 9 paras. 1-9, 22)
- F2** Words in s. 564C(1)(a) substituted (24.5.2022) by [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\)](#), arts. 1(2), **5(2)** (with art. 1(3))
- F3** S. 564C(2A) inserted (24.5.2022) by [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\)](#), arts. 1(2), **5(3)** (with art. 1(3))
- F4** Word in s. 564C(3) omitted (24.5.2022) by virtue of [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\)](#), arts. 1(2), **5(4)(a)** (with art. 1(3))
- F5** Words in s. 564C(3) inserted (24.5.2022) by [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\)](#), arts. 1(2), **5(4)(b)** (with art. 1(3))

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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. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)