

Part 1: Rules for Special Types of Company Etc

Chapter 1: Securitisation companies

1. This Chapter deals with securitisation companies. It is based on section 84 of FA 2005.

2. Section 84 of FA 2005 consists primarily of a Treasury power to determine how the Corporation Tax Acts are to apply to securitisation companies. It also contains a Treasury power to refine, for the purposes of those regulations, the basic section 84 definition of a securitisation company .

3. The rewritten clauses clearly separate the two regulation making powers. The power to refine the definition of a securitisation company is contained within subsection (2) of clause 1. The power to make regulations governing the taxation of securitisation companies comprises the whole of clause 2.

4. Section 83 of FA 2005 also deals with securitisation companies. This section governs the application of accounting standards to certain securitisation companies for periods of account beginning on or after 1 January 2005 and ending before 1 January 2008. However, that period has now been extended, (in accordance with the power in section 83(7A) of FA 2005) by SI 2007/3338, to 31 December 2016 in a limited number of cases. As section 83 has a finite life and a limited application it has not been rewritten.

<p>Q1. We welcome comments on the decision not to rewrite section 83 of FA 2005.</p>

5. Section 84(7) of FA 2005 has not been rewritten. That subsection sets out conditions relating to the first regulations to be made under the section. The first regulations have been made (SI 2006/3296) and the subsection no longer has any application.

Clause 1{j9101}: Meaning of “securitisation company”

6. This clause provides a definition of “securitisation company”. It is based on section 84(2) and (6) of FA 2005.

7. *Subsections (3) to (5)* set out the conditions that must be met if a company is to be a “securitisation company”. *Subsection (2)* includes the proviso that in addition to meeting the conditions in subsections (3) to (5) the company must also meet any conditions set out in regulations. Such conditions are to be found in regulation 4 of SI 2006/3296.

Clause 2{j9100}: Power to make regulations about the taxation of securitisation companies

8. This clause sets out how the Treasury may make regulations governing the taxation of securitisation companies. It is based on section 84(1), (3) and (6) of FA 2005.

Clause 3{j9103}: Regulations: supplementary

9. This clause contains provisions that supplement the regulation-making powers conferred by clauses 1 {j9101} and 2 {j9100}. It is based on section 84(4) & (5) of FA 2005.