

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

## SCHEDULES

### SCHEDULE 1

Section 5.

#### [<sup>F1</sup>APPLICATION OF EXEMPT AMOUNT IN PARTICULAR CASES]

##### Textual Amendments

**F1** Heading substituted by Finance Act 1982 (c. 39, SIF 63:2), s. 80(3) for 1982–83 et seq.

##### *Preliminary*

- 1 In this Schedule references to any subsections not otherwise identified are references to subsections of section 5 of this Act.

##### *Husband and wife*

- [<sup>F2</sup> (1) For any year of assessment during which a married woman is living with her husband [<sup>F3</sup>subsections (1) and (4)] shall apply to them as if [<sup>F4</sup>the exempt amount for the year] were divided between them—
- (a) in proportion to their respective taxable amounts for that year (disregarding for this purpose paragraphs (a) and (b) of subsection (4)), or
  - (b) where the aggregate of those amounts does not exceed [<sup>F5</sup>the exempt amount for the year] and allowable losses accruing to either of them in a previous year are carried forward from that year, in such other proportion as they may agree.
- (2) Sub-paragraph (1) above shall also apply for any year of assessment during a part of which (being a part beginning with 6th April) a married woman is living with her husband but—
- (a) her taxable amount for that year shall not include chargeable gains or allowable losses accruing to her in the remainder of the year, and
  - (b) [<sup>F6</sup>subsections (1) and (4)] shall apply to her (without the modification in sub-paragraph (1) above) for the remainder of the year as if it were a separate year of assessment.]

##### Textual Amendments

**F2** Sch. 1 paras. 2, 3 repealed by Finance Act 1988 (c. 39, SIF 63:1, 2), s. 148 and Sch. 14 Pt. VIII from 1990–91

**F3** Words substituted by Finance Act 1980 (c. 48, SIF 63:1), s. 77(4)(b) for 1980–81 et seq.

**F4** Words substituted by Finance Act 1982 (c. 39, SIF 63:2), s. 80(3) for 1982–83 et seq.

**F5** Words substituted by Finance Act 1982 (c. 39, SIF 63:2), s. 80(3)(a) for 1982–83 et seq.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

**F6** Words substituted by [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 77\(4\)\(c\)](#) for 1980–81 et seq.

- 3 (1) For any year of assessment during which or during a part of which (being a part beginning with 6th April) the individual is a married man whose wife is living with him and in relation to whom section 45(1) of this Act applies subsection (5) shall apply as if—
- (a) the chargeable gains accruing to him in the year included those accruing to her in the year or the part of the year, and
  - (b) all the disposals of assets made by her in the year or the part of the year were made by him.
- (2) Subsection (5) shall not apply for any year of assessment during which or during a part of which (being a part beginning with 6th April)—
- (a) the individual is a married man whose wife is living with him but in relation to whom the said section 45(1) does not apply, or
  - (b) the individual is a married woman living with her husband.

*Personal representatives*

- 4 For the year of assessment in which an individual dies and for the two next following years of assessment, [<sup>F7</sup>subsections (1), (4) and (5)] shall apply to his personal representatives as they apply to an individual.

**Textual Amendments**

**F7** Words substituted by [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 77\(4\)\(c\)](#) for 1980–81 et seq.

*Trustees*

- 5 (1) For any year of assessment during the whole or part of which settled property is held on trusts which secure that, during the lifetime of a mentally disabled person or a person in receipt of attendance allowance,
- [<sup>F8</sup>(a) not less than half of the property which is applied is applied for the benefit of that person, and
  - (b) that person is entitled to not less than half of the income arising from the property, or no such income may be applied for the benefit of any other person]
- [<sup>F9</sup>subsections (1), (4) and (5)] shall apply to the trustees of the settlement as they apply to an individual.
- [<sup>F10</sup>(1A) The trusts on which settled property is held shall not be treated as falling outside sub-paragraph (1) above by reason only of the powers conferred on the trustees by section 32 of the Trustee Act 1925 or section 33 of the Trustee Act (Northern Ireland) 1958 (powers of advancement); and the reference in that sub-paragraph to the life-time of a person shall, where the income from the settled property is held for his benefit on trusts of the kind described in section 33 of the Trustee Act 1925

*Status:* Point in time view as at 27/11/1991.

*Changes to legislation:* There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)

(protective trusts), be construed as a reference to the period during which the income is held on trust for him.

- (1B) In relation to a settlement which is one of two or more qualifying settlements comprised in a group, this paragraph shall have effect as if for the references in section 5 of this Act to [F11the exempt amount for the year] there were substituted references to [F11one tenth of that exempt amount] or, if it is more, to such amount as results from dividing [F11the exempt amount for the year] by the number of settlements in the group.
- (1C) For the purposes of sub-paragraph (1B) above—
- (a) a qualifying settlement is any settlement (other than an excluded settlement) which is made on or after 10th March 1981 and to the trustees of which this paragraph applies for the year of assessment; and
  - (b) all qualifying settlements in relation to which the same person is the settlor constitute a group.
- (1D) If, in consequence of two or more persons being settlors in relation to it, a settlement is comprised in two or more groups comprising different numbers of settlements, sub-paragraph (1B) above shall apply to it as if the number by which [F12the exempt amount for the year] is to be divided were the number of settlements in the largest group.]
- (2) In this paragraph “mentally disabled person” means a person who by reason of mental disorder within the meaning of the [F13Mental Health Act 1983] is incapable of administering his property or managing his affairs and “attendance allowance” means an allowance under section 35 of the M1Social Security Act 1975 or the M2Social Security (Northern Ireland) Act 1975 [F14; and “settlor” and “excluded settlement” have the same meanings as in paragraph 6 below].
- [F15(3) An inspector may by notice in writing require any person, being a party to a settlement, to furnish him within such time as he may direct (not being less than twenty-eight days) with such particulars as he thinks necessary for the purposes of this paragraph.]

#### Textual Amendments

- F8** Sch. 1 para. 5(1)(a)(b) substituted for words by Finance Act 1981 (c. 35, SIF 63:2), s. 89(2) for 1981–82 et seq.
- F9** Words substituted by Finance Act 1980 (c. 48, SIF 63:1), s. 77(4)(c) for 1980–81 et seq.
- F10** Sch. 1 para. 5(1A)–(1D) inserted by Finance Act 1981 (c. 35, SIF 63:2), s. 89(3) for 1981–82 et seq.
- F11** Words substituted by Finance Act 1982 (c. 39, SIF 63:2), s. 80(3)(b)(c) for 1982–83 et seq.
- F12** Words substituted by Finance Act 1982 (c. 39, SIF 63:2), s. 80(3) for 1982–83 et seq.
- F13** Words substituted by Mental Health Act 1983 (c. 20), Sch. 4 para. 49
- F14** Words added by Finance Act 1981 (c. 35, SIF 63:2), s. 89(4) for 1981–82 et seq.
- F15** Sch. 1 para. 5(3) added by Finance Act 1981 (c. 35, SIF 63:2), s. 89(5) for 1981–82 et seq.

#### Modifications etc. (not altering text)

- C1** See Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 715(8)

#### Marginal Citations

- M1** 1975 c. 14.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

**M2** 1975 c. 15.

- 6 (1) For any year of assessment during the whole or part of which any property is settled property, not being a year of assessment for which paragraph 5(1) above applies, [F16subsections (1), (4) and (5)] shall apply to the trustees of a settlement as they apply to an individual but with the following modifications.
- [F17(2) In subsections (1) and (4) for [F18“the exempt amount for the year”] there shall be substituted [F18“one half of the exempt amount for the year”].
- (3) Subsection (5) shall apply only to the trustees of a settlement made before 7th June 1978 and, in relation to such trustees, shall have effect with the substitution for [F18“the exempt amount for the year”] and [F18“twice the exempt amount for the year”] of “one half of the exempt amount for the year” and “the exempt amount for the year” respectively].
- (4) In relation to a settlement which is one of two or more qualifying settlements comprised in a group, sub-paragraph (2) above shall have effect as if for the reference to [F18“one half of the exempt amount for the year”] there were substituted a reference to [F18“one tenth of that exempt amount”] or, if it is more, to such amount as results from dividing [F18one half of the exempt amount for the year] by the number of settlements in the group.
- (5) For the purposes of sub-paragraph (4) above—
- (a) a qualifying settlement is any settlement (other than an excluded settlement) which is made after 6th June 1978 and to the trustees of which this paragraph applies for the year of assessment; and
  - (b) all qualifying settlements in relation to which the same person is the settlor constitute a group.
- (6) If, in consequence of two or more persons being settlors in relation to it, a settlement is comprised in two or more groups comprising different numbers of settlements, sub-paragraph (4) above shall apply to it as if the number by which [F18one half of the exempt amount for the year] is to be divided were the number of settlements in the largest group.
- (7) In this paragraph “settlor” has the meaning given by section [F19681(4)] of [F19the Taxes Act 1988] and includes, in the case of a settlement arising under a will or intestacy, the testator or intestate and “excluded settlement” means—
- (a) any settlement the trustees of which are not for the whole or any part of the year of assessment treated under section 52(1) of this Act as resident and ordinarily resident in the United Kingdom; and
  - (b) any settlement the property comprised in which—
    - (i) is held for charitable purposes only and cannot become applicable for other purposes; or
    - (ii) is held for the purposes of any such scheme or fund as is mentioned in sub-paragraph (8) below (retirement benefits and compensation funds).

[ The schemes and funds referred to in sub-paragraph (7)(b)(ii) above are funds to F20(8) which section 615(3) of the Taxes Act 1988 applies, schemes and funds approved

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

under section 620 or 621 of that Act, sponsored superannuation schemes as defined in section 624 of that Act and exempt approved schemes and statutory schemes as defined in Chapter I of Part XIV of that Act].

- (9) An inspector may by notice in writing require any person, being a party to a settlement, to furnish him within such time as he may direct (not being less than twenty-eight days) with such particulars as he thinks necessary for the purposes of this paragraph].

#### Textual Amendments

- F16** Words substituted by Finance Act 1980 (c. 48, SIF 63:1), s. 78(2) for 1980–81 et seq.  
**F17** Sch. 1 para. 6(2)–(9) substituted for para. 6(2)–(5) by Finance Act 1980 (c. 48, SIF 63:1), s. 78(3) for 1980–81 et seq.  
**F18** Words substituted by Finance Act 1982 (c. 39, SIF 63:2), s. 80(3) for 1982–83 et seq.  
**F19** Words substituted by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), Sch. 29 paras. 15 and 32  
**F20** Sch. 1 para. 6(8) substituted by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), Sch. 29 paras. 15 and 32

## SCHEDULE 2

Section 64(1).

### GILT-EDGED SECURITIES

#### PART I

- 1 For the purposes of this Act “gilt-edged securities” means the securities specified in Part II of this Schedule, and such of the following securities, denominated in sterling and issued after 15th April 1969, as may be specified by order made by the Treasury by statutory instrument, namely—
- (a) stocks and bonds issued under section 12 of the <sup>M3</sup>National Loans Act 1968, and
  - (b) [<sup>F21</sup>stocks and bonds guaranteed by the Treasury and issued under the Electricity (Scotland) Acts 1943 to 1954, the Electricity Acts 1947 and 1957] . . . <sup>F22</sup>.

#### Subordinate Legislation Made

- P1** Sch. 2 para. 1: power exercised by S.I.1991/2678  
For previous exercises of power see Index to Government Orders

#### Textual Amendments

- F21** Words repealed by Electricity Act 1989 (c. 29), s. 112 and Sch. 18 from a day to be appointed  
**F22** Words repealed by Gas Act 1986 (c. 44), s. 67(4) and Sch. 9 Part II

#### Modifications etc. (not altering text)

- C2** See also Capital Gains Tax Act 1979 (c. 14), Sch. 6 para. 19

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

**Marginal Citations**

**M3** 1968 c. 13.

2 The Treasury shall cause particulars of any order made under paragraph 1 above to be published in the London and Edinburgh Gazettes as soon as may be after the order is made.

3 Section 14(b) of the <sup>M4</sup>Interpretation Act 1978 (implied power to amend orders made by statutory instrument) shall not apply to the power of making orders under paragraph 1 above.

**Marginal Citations**

**M4** 1978 c. 30.

**PART II**

EXISTING GILT-EDGED SECURITIES

*Stocks and bonds charged on the National Loans Fund*

11½%	Treasury Stock 1979
3 %	Treasury Stock 1979
10½%	Treasury Stock 1979
9 %	Treasury Convertible Stock 1980
4 %	British Overseas Airways Stock 1974-80
9½%	Treasury Stock 1980
3½%	Treasury Stock 1977-80
5¼%	Funding Loan 1978-80
13 %	Exchequer Stock 1980
11½%	Treasury Stock 1981
3½%	Treasury Stock 1979-81
9¾%	Treasury Stock 1981
8¼%	Exchequer Stock 1981
9½%	Exchequer Stock 1981
3 %	Exchequer Stock 1981
	Variable Rate Treasury Stock 1981
12¾%	Exchequer Stock 1981

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

8½%	Treasury Loan 1980-82
3 %	Treasury Stock 1982
14 %	Treasury Stock 1982
2½%	British Overseas Airways Stock 1977-82
	Variable Rate Treasury Stock 1982
8¼%	Treasury Stock 1982
9¼%	Exchequer Stock 1982
8¾%	Exchequer Stock 1983
3 %	British Overseas Airways Stock 1980-83
3 %	Exchequer Stock 1983
12 %	Treasury Loan 1983
9¼%	Treasury Stock 1983
10 %	Exchequer Stock 1983
5½%	Funding Stock 1982-84
12¼%	Exchequer Stock 1985
8½%	Treasury Loan 1984-86
6½%	Funding Loan 1985-87
7¾%	Treasury Loan 1985-88
3 %	British Transport Stock 1978-88
5 %	Treasury Stock 1986-89
13 %	Treasury Stock 1990
8¼%	Treasury Loan 1987-90
11¾%	Treasury Stock 1991
5¾%	Funding Loan 1987-91
12¾%	Treasury Loan 1992
10 %	Treasury Stock 1992
12¼%	Exchequer Stock 1992
12½%	Treasury Loan 1993
6 %	Funding Loan 1993
13¾%	Treasury Loan 1993
14½%	Treasury Loan 1994
12½%	Exchequer Stock 1994
9 %	Treasury Loan 1994
12 %	Treasury Stock 1995
10¼%	Exchequer Stock 1995

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

12 <sup>3</sup> / <sub>4</sub> %	Treasury Loan 1995
9 %	Treasury Loan 1992-96
15 <sup>1</sup> / <sub>4</sub> %	Treasury Loan 1996
13 <sup>1</sup> / <sub>4</sub> %	Exchequer Loan 1996
13 <sup>1</sup> / <sub>4</sub> %	Treasury Loan 1997
10 <sup>1</sup> / <sub>2</sub> %	Exchequer Stock 1997
8 <sup>3</sup> / <sub>4</sub> %	Treasury Loan 1997
6 <sup>3</sup> / <sub>4</sub> %	Treasury Loan 1995-98
15 <sup>1</sup> / <sub>2</sub> %	Treasury Loan 1998
12 %	Exchequer Stock 1998
9 <sup>1</sup> / <sub>2</sub> %	Treasury Loan 1999
10 <sup>1</sup> / <sub>2</sub> %	Treasury Stock 1999
12 %	Exchequer Stock 1999-2002
3 <sup>1</sup> / <sub>2</sub> %	Funding Stock 1999-2004
12 <sup>1</sup> / <sub>2</sub> %	Treasury Stock 2003-2005
8 %	Treasury Loan 2002-2006
5 <sup>1</sup> / <sub>2</sub> %	Treasury Stock 2008-2012
7 <sup>3</sup> / <sub>4</sub> %	Treasury Loan 2012-2015
2 <sup>1</sup> / <sub>2</sub> %	Treasury Stock 1986-2016
12 %	Exchequer Stock 2013-2017
2 <sup>1</sup> / <sub>2</sub> %	Annuities 1905 or after
2 <sup>3</sup> / <sub>4</sub> %	Annuities 1905 or after
2 <sup>1</sup> / <sub>2</sub> %	Consolidated Stock 1923 or after
4 %	Consolidated Loan 1957 or after
3 <sup>1</sup> / <sub>2</sub> %	Conversion Loan 1961 or after
2 <sup>1</sup> / <sub>2</sub> %	Treasury Stock 1975 or after
3 %	Treasury Stock 1966 or after
3 <sup>1</sup> / <sub>2</sub> %	War Loan 1952 or after

...  
F23

...  
F23

#### Textual Amendments

**F23** Words repealed by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 187](#) and Sch. 17 Part XIV



*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

*Securities issued by certain public corporations and guaranteed by the Treasury*

4¼%	North of Scotland Electricity Stock 1974-79
4¼%	British Electricity Stock 1974-79
3½%	British Electricity Stock 1976-79
3½%	North of Scotland Electricity Stock 1977-80
3 %	British European Airways Stock 1980-83
3 %	North of Scotland Electricity Stock 1989-92
3 %	British Gas Stock 1990-95.

SCHEDULE 3

Section 106.

LEASES

**Modifications etc. (not altering text)**

**C3** Sch. 3 applied (E.W.S.) (16.01.1992) by S.I. 1992/58, art.26.

*Leases of land as wasting assets: curved line restriction of allowable expenditure*

- 1 (1) A lease of land shall not be a wasting asset until the time when its duration does not exceed fifty years.
- (2) If at the beginning of the period of ownership of a lease of land it is subject to a sub-lease not at a rackrent and the value of the lease at the end of the duration of the sub-lease, estimated as at the beginning of the period of ownership, exceeds the expenditure allowable under section 32(1)(a) of this Act in computing the gain accruing on a disposal of the lease, the lease shall not be a wasting asset until the end of the duration of the sub-lease.
- (3) In the case of a wasting asset which is a lease of land the rate at which expenditure is assumed to be written off shall, instead of being a uniform rate as provided by section 38 of this Act, be a rate fixed in accordance with the Table below.
- (4) Accordingly, for the purposes of the computation under Chapter II of Part II of this Act of the gain accruing on a disposal of a lease, and given that—
- (a) the percentage derived from the Table for the duration of the lease at the beginning of the period of ownership is P(1),
  - (b) the percentage so derived for the duration of the lease at the time when any item of expenditure attributable to the lease under section 32(1)(b) of this Act is first reflected in the nature of the lease is P(2), and
  - (c) the percentage so derived for the duration of the lease at the time of the disposal is P(3),
- then—

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (i) there shall be excluded from the expenditure attributable to the lease under section 32(1)(a) of this Act a fraction equal to

$$\frac{P(2) - P(3)}{P(2)}$$

,and

- (ii) there shall be excluded from any item of expenditure attributable to the lease under section 32(1)(b) of this Act a fraction equal to

$$\frac{T}{P + T}$$

- (5) This paragraph applies notwithstanding that the period of ownership of the lease is a period exceeding fifty years and, accordingly, no expenditure shall be written off under this paragraph in respect of any period earlier than the time when the lease becomes a wasting asset.
- (6) Section 39 of this Act (wasting assets qualifying for capital allowances) shall apply in relation to this paragraph as it applies in relation to section 38.

TABLE

Years	Percentage	Years	Percentage
50 (or more)	100	25	81.100
49	99.657	24	79.622
48	99.289	23	78.055
47	98.902	22	76.399
46	98.490	21	74.635
45	98.059	20	72.770
44	97.595	19	70.791
43	97.107	18	68.697
42	96.593	17	66.470
41	96.041	16	64.116
40	95.457	15	61.617
39	94.842	14	58.971
38	94.189	13	56.167
37	93.497	12	53.191

If the duration of the lease is not an exact number of years the percentage to be derived from the Table above shall be the percentage for the whole number of years plus one twelfth of the difference between that and the percentage for the next higher number of years for each odd month counting an odd 14 days or more as one month.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

36	92.761	11	50.038
35	91.981	10	46.695
34	91.156	9	43.154
33	90.280	8	39.399
32	89.354	7	35.414
31	88.371	6	31.195
30	87.330	5	26.722
29	86.226	4	21.983
28	85.053	3	16.959
27	83.816	2	11.629
26	82.496	1	5.983
		0	0

If the duration of the lease is not an exact number of years the percentage to be derived from the Table above shall be the percentage for the whole number of years plus one twelfth of the difference between that and the percentage for the next higher number of years for each odd month counting an odd 14 days or more as one month.

#### *Premiums for leases*

- 2 (1) Subject to this Schedule where the payment of a premium is required under a lease of land, or otherwise under the terms subject to which a lease of land is granted, there is a part disposal of the freehold or other asset out of which the lease is granted.
- (2) In applying section 35 of this Act to such a part disposal, the property which remains undisposed of includes a right to any rent or other payments, other than a premium, payable under the lease, and that right shall be valued as at the time of the part disposal.

#### **Modifications etc. (not altering text)**

- C4** See [Development Land Tax Act 1976 \(c. 24\)](#), [s. 34](#) and Sch. 6 para. 3(2) (which Act was repealed by [Finance Act 1985 \(c. 54, SIF 63:2\)](#), [ss. 93, 98\(6\)](#) and Sch. 27 Pt. X)
- C5** [Sch. 3 para. 2\(2\)](#) applied (with modifications) (E.W.S.) (16.1.1992) by [S.I. 1992/58](#), [art.26](#).

- 3 (1) This paragraph applies in relation to a lease of land.
- (2) Where, under the terms subject to which a lease is granted, a sum becomes payable by the tenant in lieu of the whole or part of the rent for any period, or as consideration for the surrender of the lease, the lease shall be deemed for the purposes of this Schedule to have required the payment of a premium to the landlord (in addition to any other premium) of the amount of that sum for the period in relation to which the sum is payable.
- (3) Where, as consideration for the variation or waiver of any of the terms of a lease, a sum becomes payable by the tenant otherwise than by way of rent, the lease shall be

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

deemed for the purposes of this Schedule to have required the payment of a premium to the landlord (in addition to any other premium) of the amount of that sum for the period from the time when the variation or waiver takes effect to the time when it ceases to have effect.

- (4) If under sub-paragraph (2) or (3) above a premium is deemed to have been received by the landlord, otherwise than as consideration for the surrender of the lease, then subject to sub-paragraph (5) below, both the landlord and the tenant shall be treated as if that premium were, or were part of, the consideration for the grant of the lease due at the time when the lease was granted, and the gain accruing to the landlord on the disposal by way of grant of the lease shall be recomputed and any necessary adjustments of tax, whether by way of assessment for the year in which the premium is deemed to have been received, or by way of discharge or repayment of tax, made accordingly.
- (5) If under sub-paragraph (2) or (3) above a premium is deemed to have been received by the landlord, otherwise than as consideration for the surrender of the lease, and the landlord is a tenant under a lease the duration of which does not exceed fifty years this Schedule shall apply as if an amount equal to the amount of that premium deemed to have been received had been given by way of consideration for the grant of the part of the sub-lease covered by the period in respect of which the premium is deemed to have been paid as if that consideration were expenditure incurred by the sub-lessee and attributable to that part of the sub-lease under section 32(1)(b) of this Act.
- (6) Where under sub-paragraph (2) above a premium is deemed to have been received as consideration for the surrender of a lease the surrender of the lease shall not be the occasion of any recomputation of the gain accruing on the receipt of any other premium, and the premium which is consideration for the surrender of the lease shall be regarded as consideration for a separate transaction consisting of the disposal by the landlord of his interest in the lease.
- (7) Sub-paragraph (3) above shall apply in relation to a transaction not at arm's length, and in particular in relation to a transaction entered into gratuitously, as if such sum had become payable by the tenant otherwise than by way of rent as might have been required of him if the transaction had been at arm's length.

*Sub-leases out of short leases*

- 4 (1) In the computation under Chapter II or Part II of this Act of the gain accruing on the part disposal of a lease which is a wasting asset by way of the grant of a sub-lease for a premium the expenditure attributable to the lease under paragraphs (a) and (b) of section 32(1) of this Act shall be apportioned in accordance with this paragraph, and section 35 of this Act shall not apply.
- (2) Out of each item of the expenditure attributable to the lease under paragraphs (a) and (b) of section 32(1) of this Act there shall be apportioned to what is disposed of—
  - (a) if the amount of the premium is not less than what would be obtainable by way of premium for the said sub-lease if the rent payable under that sub-lease were the same as the rent payable under the lease, the fraction which, under paragraph 1(3) of this Schedule, is to be written off over the period which is the duration of the sub-lease, and

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

- (b) if the amount of the premium is less than the said amount so obtainable, the said fraction multiplied by a fraction equal to the amount of the said premium divided by the said amount so obtainable.
- (3) If the sub-lease is a sub-lease of part only of the land comprised in the lease this paragraph shall apply only in relation to a proportion of the expenditure attributable to the lease under paragraphs (a) and (b) of section 32(1) of this Act which is the same as the proportion which the value of the land comprised in the sub-lease bears to the value of that and the other land comprised in the lease; and the remainder of that expenditure shall be apportioned to what remains undisposed of.

*Exclusion of premiums taxed under Schedule A etc.*

- 5 (1) Where by reference to any premium income tax has become chargeable under section [F<sup>24</sup>34] of [F<sup>25</sup>the Taxes Act 1988] on any amount, that amount out of the premium shall be excluded from the consideration brought into account in the computation under Chapter II of Part II of this Act of a gain accruing on the disposal for which the premium is consideration except where the consideration is taken into account in the denominator of the fraction by reference to which an apportionment is made under section 35 of this Act (part disposals).
- (2) Where by reference to any premium in respect of a sub-lease granted out of a lease the duration of which (that is of the lease) does not, at the time of granting the lease, exceed fifty years, income tax has become chargeable under section [F<sup>24</sup>34] of [F<sup>25</sup>the Taxes Act 1988] on any amount that amount shall be deducted from any gain accruing on the disposal for which the premium is consideration as computed in accordance with the provisions of this Act apart from this sub-paragraph, but not so as to convert the gain into a loss, or to increase any loss.
- (3) Where income tax has become chargeable under section [F<sup>24</sup>36] of [F<sup>25</sup>the Taxes Act 1988] (sale of land with right of re-conveyance) on any amount a sum of that amount shall be excluded from the consideration brought into account in the computation under Chapter II of Part II of this Act of a gain accruing on the disposal of the estate or interest in respect of which income tax becomes so chargeable, except where the consideration is taken into account in the denominator of the fraction by reference to which an apportionment is made under section 35 of this Act:  
Provided that if what is disposed of is the remainder of a lease or a sub-lease out of a lease the duration of which does not exceed fifty years the preceding provisions of this sub-paragraph shall not apply but the said amount shall be deducted from any gain accruing on the disposal as computed in accordance with the provisions of this Act apart from this sub-paragraph, but not so as to convert the gain into a loss, or to increase any loss.
- (4) References in sub-paragraph (1) and (2) above to a premium include references to a premium deemed to have been received under subsection [F<sup>25</sup>(4) or (5)] of section [F<sup>24</sup>34] of [F<sup>25</sup>the Taxes Act 1988] (which correspond to paragraph 3(2) and (3) of this Schedule).
- (5) Section 31 of this Act (exclusion of consideration chargeable to tax on income) shall not be taken as authorising the exclusion of any amount from the consideration for a disposal of assets taken into account in the computation under Chapter II of Part

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

II of this Act by reference to any amount chargeable to tax under [<sup>F25</sup>section 348 or 349] of [<sup>F25</sup>the Taxes Act 1988].

#### Textual Amendments

**F24** Figure substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32

**F25** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32

#### Modifications etc. (not altering text)

**C6** See [Development Land Tax Act 1976 \(c. 24\)](#), s. 34, [Sch. 6 paras. 3\(10\)](#) and 4

**C7** See [Development Land Tax Act 1976 \(c. 24\)](#), s. 34 and Sch. 6 para. 3(10)

- 6 (1) If under section [<sup>F26</sup>37(4)] of [<sup>F26</sup>the Taxes Act 1988] (allowance where, by the grant of a sub-lease, a lessee has converted a capital amount into a right to income) a person is to be treated as paying additional rent in consequence of having granted a sub-lease, the amount of any loss accruing to him on the disposal by way of the grant of the sub-lease shall be reduced by the total amount of rent which he is thereby treated as paying over the term of the sub-lease (and without regard to whether relief is thereby effectively given over the term of the sub-lease), but not so as to convert the loss into a gain, or to increase any gain.
- (2) Nothing in section 31 of this Act shall be taken as applying in relation to any amount on which tax is paid under section [<sup>F27</sup>35] of [<sup>F26</sup>the Taxes Act 1988] (charge on assignment of lease granted at undervalue).
- (3) If any adjustment is made under section [<sup>F26</sup>36(2)(b)] of [<sup>F26</sup>the Taxes Act 1988] on a claim under that paragraph, any necessary adjustment shall be made to give effect to the consequences of the claim on the operation of this paragraph or paragraph 5 above.

#### Textual Amendments

**F26** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32

**F27** Figure substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32

- 7 If under section [<sup>F28</sup>34(2) and (3)] of [<sup>F28</sup>the Taxes Act 1988] income tax is chargeable on any amount, as being a premium the payment of which is deemed to be required by the lease, the person so chargeable shall be treated for the purposes of the computation of any gain accruing to him as having incurred at the time the lease was granted expenditure of that amount (in addition to any other expenditure) attributable to the asset under section 32(1)(b) of this Act.

#### Textual Amendments

**F28** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

### *Duration of leases*

- 8 (1) In ascertaining for the purposes of this Act the duration of a lease of land the following provisions shall have effect.
- (2) Where the terms of the lease include provision for the determination of the lease by notice given by the landlord, the lease shall not be treated as granted for a term longer than one ending at the earliest date on which it could be determined by notice given by the landlord.
- (3) Where any of the terms of the lease (whether relating to forfeiture or to any other matter) or any other circumstances render it unlikely that the lease will continue beyond a date falling before the expiration of the term of the lease, the lease shall not be treated as having been granted for a term longer than one ending on that date.
- (4) Sub-paragraph (3) applies in particular where the lease provides for the rent to go up after a given date, or for the tenant's obligations to become in any other respect more onerous after a given date, but includes provision for the determination of the lease on that date by notice given by the tenant, and those provisions render it unlikely that the lease will continue beyond that date.
- (5) Where the terms of the lease include provision for the extension of the lease beyond a given date by notice given by the tenant this paragraph shall apply as if the term of the lease extended for as long as it could be extended by the tenant, but subject to any right of the landlord by notice to determine the lease.
- (6) It is hereby declared that the question what is the duration of a lease is to be decided, in relation to the grant or any disposal of the lease, by reference to the facts which were known or ascertainable at the time when the lease was acquired or created.

### *Leases of property other than land*

- 9 (1) Paragraphs 2, 3, 4 and 8 of this Schedule shall apply in relation to leases of property other than land as they apply to leases of land, but subject to any necessary modifications.
- (2) Where by reference to any capital sum within the meaning of section [F29 785] of [F30 the Taxes Act 1988] (leases of assets other than land) any person has been charged to income tax on any amount, that amount out of the capital sum shall be deducted from any gain accruing on the disposal for which that capital sum is consideration, as computed in accordance with the provisions of this Act apart from this sub-paragraph, but not so as to convert the gain into a loss, or increase any loss.
- (3) In the case of a lease of a wasting asset which is movable property the lease shall be assumed to terminate not later than the end of the life of the wasting asset.

#### **Textual Amendments**

- F29** Figure substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32
- F30** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

### *Interpretation*

- 10 (1) In this Act, unless the context otherwise requires “lease”—
- (a) in relation to land, includes an underlease, sublease or any tenancy or licence, and any agreement for a lease, underlease, sublease or tenancy or licence and, in the case of land outside the United Kingdom, any interest corresponding to a lease as so defined,
  - (b) in relation to any description of property other than land, means any kind of agreement or arrangement under which payments are made for the use of, or otherwise in respect of, property,
- and “lessor”, “lessee” and “rent” shall be construed accordingly.
- (2) In this Schedule “premium” includes any like sum, whether payable to the intermediate or a superior landlord, and for the purposes of this Schedule any sum (other than rent) paid on or in connection with the granting of a tenancy shall be presumed to have been paid by way of premium except in so far as other sufficient consideration for the payment is shown to have been given.
- (3) In the application of this Schedule to Scotland “premium” includes in particular a grassum payable to any landlord or intermediate landlord on the creation of a sublease.

## SCHEDULE 4

Section 126.

### RELIEF FOR GIFTS OF BUSINESS ASSETS

#### PART I

#### AGRICULTURAL PROPERTY AND SETTLED PROPERTY

##### *Agricultural property*

- 1 (1) This paragraph applies where—
- (a) there is a disposal of an asset which is, or is an interest in, agricultural property within the meaning of [<sup>F31</sup>Chapter II of Part V of the Capital Transfer Tax Act 1984] (capital transfer tax relief for agricultural property), and
  - (b) apart from this paragraph, the disposal would not fall within [<sup>F32</sup>section 126(1)] of this Act by reason only that the agricultural property is not used for the purposes of a trade carried on as mentioned in [<sup>F32</sup>section 126(1A)(a)].
- (2) Where this paragraph applies, section 126(1) of this Act shall apply in relation to the disposal if the circumstances are such that a reduction [<sup>F33</sup>at the rate of 50 per cent.] in respect of the asset—



*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (a) is made under [<sup>F31</sup>Chapter II of Part V of the Capital Transfer Tax Act 1984] in relation to a chargeable transfer taking place on the occasion of the disposal, or
- (b) would be so made if there were a chargeable transfer on that . . . [<sup>F34</sup>[<sup>F35</sup>, or]
- [<sup>F36</sup>(c) would be so made but for section 124A of that Act (assuming, where there is no chargeable transfer on that occasion, that there were)].

#### Textual Amendments

- F31** Words substituted by [Inheritance Tax Act 1984 \(c. 51\), s. 276](#) and Sch. 8 para. 12
- F32** Words substituted by [Finance Act 1989 \(c. 26, SIF 63:2\), s. 124](#) and Sch. 14 para. 3(2) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\), s. 79](#) in respect of a disposal before that date)
- F33** Words substituted by [Inheritance Tax Act 1984 \(c. 51\), s. 276](#) and Sch. 8 para. 12 and repealed by [Finance Act 1989 \(c. 26, SIF 63:2\), ss. 124, 187, Schs. 14](#) and 17 Part VII in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\), s. 79](#) in respect of a disposal before that date)
- F34** Words repealed by [Finance Act 1981 \(c. 35, SIF 63:2\), s. 139](#) and Sch. 19 Pt. VIII
- F35** “, or” inserted by [Finance Act 1989 \(c. 26, SIF 63:2\), s. 124](#) and Sch. 14 para. 3(2) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\), s. 79](#) in respect of a disposal before that date)
- F36** [Sch. 4 para. 1\(2\)\(c\)](#) inserted by [Finance Act 1989 \(c. 26, SIF 63:2\), s. 124](#) and Sch. 14 para. 3(2) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\), s. 79](#) in respect of a disposal before that date)

#### Modifications etc. (not altering text)

- C8** See [Finance Act 1986 \(c. 41\), s. 100](#) for occasions when [Capital Transfer Tax Act 1984 \(c. 51, SIF 65\)](#) referred to as [Inheritance Tax Act 1984 \(c. 51\)](#)

### *Settled property*

[<sup>F372</sup> (1) If—

- (a) the trustees of a settlement make a disposal otherwise than under a bargain at arm’s length of an asset within sub-paragraph (2) below, and
- (b) a claim for relief under section 126 of this Act is made by the trustees and the person who acquires the asset (in this Schedule referred to as “the transferee”) or, where the trustees of a settlement are also the transferee, by the trustees making the disposal alone,

then, subject to subsection (2) of section 126 and to sections 126A and 126B, subsection (3) of section 126 shall apply in relation to the disposal.

(2) An asset is within this sub-paragraph if—

- (a) it is, or is an interest in, an asset used for the purposes of a trade, profession or vocation carried on by—
  - (i) the trustees making the disposal, or
  - (ii) a beneficiary who had an interest in possession in the settled property immediately before the disposal, or
- (b) it consists of shares or securities of a trading company, or of the holding company of a trading group, where—

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (i) the shares or securities are neither quoted on a recognised stock exchange nor dealt in on the Unlisted Securities Market, or
  - (ii) not less than 25 per cent. of the voting rights exercisable by shareholders of the company in general meeting are exercisable by the trustees at the time of the disposal.
- (3) Where section 126(3) applies by virtue of this paragraph, references to the trustees shall be substituted for the references in sections 126(3)(a) and 126C to the transferor; and where it applies in relation to a disposal which is deemed to occur by virtue of section 54(1) or 55(1) of this Act, section 126(6) shall not apply.]

#### Textual Amendments

**F37** Sch. 4 para. 2 substituted by Finance Act 1989 (c. 26, SIF 63:2), s. 124 and Sch. 14 para. 3(3) in relation to disposals on or after 14 March 1989 (except where relief given under Finance Act 1980 (c. 48, SIF 63:1), s. 79 in respect of a disposal before that date)

- 3 (1) This paragraph applies where—
- (a) there is, [<sup>F38</sup>by virtue of section 54(1) [<sup>F39</sup>or 55(1)] of this Act (settled property)], a disposal of an asset which is, or is an interest in, agricultural property within the meaning of [<sup>F40</sup>Chapter II of Part V of the Capital Transfer Tax Act 1984], and
  - (b) apart from this paragraph, the disposal would not fall within paragraph [<sup>F41</sup>2(1)(a)] above by reason only that the agricultural property is not used for the purposes of a trade as mentioned in [<sup>F41</sup>paragraph 2(2)(a) above].
- (2) Where this paragraph applies, paragraph 2(1) above shall apply in relation to the disposal if the circumstances are such that a reduction [<sup>F42</sup>at the rate of 50 per cent.] in respect of the asset—
- (a) is made under [<sup>F40</sup>Chapter II of Part V of the Capital Transfer Tax Act 1984] in relation to a chargeable transfer taking place on the occasion of the disposal, or
  - (b) would be so made if there were a chargeable transfer on that occasion . . . [<sup>F43</sup><sup>F44</sup>, or]
  - [<sup>F45</sup>(c) would be so made but for section 124A of that Act (assuming, where there is no chargeable transfer on that occasion, that there were)].

#### Textual Amendments

**F38** Words repealed by Finance Act 1989 (c. 26, SIF 63:2), ss. 124, 187, Schs. 14 para. 3(4) and 17 Part VII in relation to disposals on or after 14 March 1989 (except where relief given under Finance Act 1980 (c. 48, SIF 63:1), s. 79 in respect of a disposal before that date)

**F39** Words repealed by Finance Act 1982 (c. 39, SIF 63:2), s. 157 and Sch. 22 Part VI in relation to disposals after 5 April 1982

**F40** Words substituted by Inheritance Tax Act 1984 (c. 51), s. 276 and Sch. 8 para. 12

**F41** Words substituted by Finance Act 1989 (c. 26, SIF 63:2), s. 124 and Sch. 14 paras. (4)(a), (4)(b) in relation to disposals on or after 14 March 1989 (except where relief given under Finance Act 1980 (c. 48, SIF 63:1), s. 79 in respect of a disposal before that date)

*Status:* Point in time view as at 27/11/1991.

*Changes to legislation:* There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)

- F42** Words inserted by [Inheritance Tax Act 1984 \(c. 51\), s. 276](#) and Sch. 8 para. 12 and repealed by [Finance Act 1989 \(c. 26, SIF 63:2\), ss. 124, 187, Schs. 14 para. 3\(4\)](#) and 17 Part VII in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\), s. 79](#) in respect of a disposal before that date)
- F43** Words repealed by [Finance Act 1981 \(c. 35, SIF 63:2\), s. 139](#) and Sch. 19 Pt. VIII
- F44** “, or” inserted by [Finance Act 1989 \(c. 26, SIF 63:2\), s. 124](#) and Sch. 14 paras. (4)(a), (4)(b) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\), s. 79](#) in respect of a disposal before that date)
- F45** [Sch. 4 para. 3\(2\)\(c\)](#) inserted by [Finance Act 1989 \(c. 26, SIF 63:2\), s. 124](#) and Sch. 14 paras. (4)(a), (4)(b) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\), s. 79](#) in respect of a disposal before that date)

## PART II

### REDUCTIONS IN HELD-OVER GAIN

#### *Application and interpretation*

- 4 (1) The provisions of this Part of this Schedule apply in cases where a claim for relief is made under section 126 of this Act.
- (2) In this Part of this Schedule—
- (a) “the principal provision” means [<sup>F46</sup>section 126(1A)] of this Act, or, as the case may require, [<sup>F46</sup>sub-paragraph (2)] of paragraph 2 above,
- (b) “shares” includes securities,
- [<sup>F47</sup>(c) “the transferor” has the same meaning as in section 126 of this Act except that, in a case where paragraph 2 above applies, it refers to the trustees mentioned in that paragraph.]
- (d) “unrelieved gain”, in relation to a disposal, has the same meaning as in section 126(6) of this Act.
- [<sup>F48</sup>(3) In this Part of this Schedule—
- (a) any reference to a disposal of an asset is a reference to a disposal which falls within subsection (1) of section 126 of this Act by virtue of subsection (1A) (a) of that section or, as the case may be, falls within sub-paragraph (1) of paragraph 2 above by virtue of sub-paragraph (2)(a) of that paragraph, and
- (b) any reference to a disposal of shares is a reference to a disposal which falls within subsection (1) of section 126 of this Act by virtue of subsection (1A) (b) of that section or, as the case may be, falls within sub-paragraph (1) of paragraph 2 above by virtue of sub-paragraph (2)(b) of that paragraph.]
- (4) In relation to a disposal of an asset or of shares, any reference in the following provisions of this Part of this Schedule to the held-over gain is a reference to the held-over gain on that disposal as determined under subsection (5) or, [<sup>F49</sup>where it applies], subsection (6) of section 126 of this Act [<sup>F50</sup>(taking account, where paragraph 2 above applies, of sub-paragraph (2)(b) of that paragraph)].

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

### Textual Amendments

- F46** Words substituted by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 124](#) and Sch. 14 para. 3(5)(a)(b) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 79](#) in respect of a disposal before that date)
- F47** [Sch. 4 para. 4\(2\)\(c\)](#) substituted by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 124](#) and Sch. 14 para. 3(5)(a)(b) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 79](#) in respect of a disposal before that date)
- F48** [Sch. 4 para. 4\(3\)](#) substituted by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 124](#) and Sch. 14 para. 3(5)(c)(d)(6) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 79](#) in respect of a disposal before that date)
- F49** Words substituted by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 124](#) and Sch. 14 para. 3(5)(c)(d)(6) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 79](#) in respect of a disposal before that date)
- F50** Words repealed by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [ss. 124, 187](#), [Schs. 14 para. 3\(5\)\(d\)](#) and 17 Part VII in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 79](#) in respect of a disposal before that date)

### *Reductions peculiar to disposals of assets*

- 5 (1) If, in the case of a disposal of an asset, the asset was not used for the purposes of the trade, profession or vocation referred to in paragraph (a) of the principal provision throughout the period of its ownership by the transferor, the amount of the held-over gain shall be reduced by multiplying it by the fraction of which the denominator is the number of days in that period of ownership and the numerator is the number of days in that period during which the asset was so used.
- [<sup>F51</sup>(2) This paragraph shall not apply where the circumstances are such that a reduction in respect of the asset—
- (a) is made under Chapter II of Part V of the Capital Transfer Tax Act 1984 in relation to a chargeable transfer taking place on the occasion of the disposal, or
  - (b) would be so made if there were a chargeable transfer on that occasion, or
  - (c) would be so made but for section 124A of that Act (assuming, where there is no chargeable transfer on that occasion, that there were).]

### Textual Amendments

- F51** [Sch. 4 para. 5\(2\)](#) added by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 124](#) and Sch. 14 para. 3(5)(c)(d)(6) in relation to disposals on or after 14 March 1989 (except where relief given under [Finance Act 1980 \(c. 48, SIF 63:1\)](#), [s. 79](#) in respect of a disposal before that date)

- 6 (1) If, in the case of a disposal of an asset, the asset is a building or structure and, over the period of its ownership by the transferor or any substantial part of that period, part of the building or structure was, and part was not, used for the purposes of the trade, profession or vocation referred to in paragraph (a) of the principal provision, there shall be determined the fraction of the unrelieved gain on the disposal which it is just and reasonable to apportion to the part of the asset which was so used, and the

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

amount of the held-over gain (as reduced, if appropriate, under paragraph 5 above) shall be reduced by multiplying it by that fraction.

- [<sup>F52</sup>(2) This paragraph shall not apply where the circumstances are such that a reduction in respect of the asset—
- (a) is made under Chapter II of Part V of the Capital Transfer Tax Act 1984 in relation to a chargeable transfer taking place on the occasion of the disposal, or
  - (b) would be so made if there were a chargeable transfer on that occasion, or
  - (c) would be so made but for section 124A of that Act (assuming, where there is no chargeable transfer on that occasion, that there were).]

#### Textual Amendments

**F52** Sch. 4 para. 6(2) added by Finance Act 1989 (c. 26, SIF 63:2), s. 124 and Sch. 14 para. 3(6) in relation to disposals on or after 14 March 1989 (except where relief given under Finance Act 1980 (c. 48, SIF 63:1), s. 79 in respect of a disposal before that date)

#### *Reduction peculiar to disposal of shares*

- [<sup>F537</sup> (1) If in the case of a disposal of shares assets which are not business assets are included in the chargeable assets of the company whose shares are disposed of, or, where that company is the holding company of a trading group, in the group's chargeable assets, and either—
- (a) at any time within the period of twelve months before the disposal not less than 25 per cent. of the voting rights exercisable by shareholders of the company in general meeting are exercisable by the transferor, or
  - (b) the transferor is an individual and, at any time within that period, the company is his family company,
- the amount of the held-over gain shall be reduced by multiplying it by the fraction defined in sub-paragraph (2) below.
- (2) The fraction referred to in sub-paragraph (1) above is that of which—
- (a) the denominator is the market value on the date of the disposal of all the chargeable assets of the company, or as the case may be of the group, and
  - (b) the numerator is the market value on that date of those chargeable assets of the company or of the group which are business assets.
- (3) For the purposes of this paragraph—
- (a) an asset is a business asset in relation to a company or a group if it is or is an interest in an asset used for the purposes of a trade, profession or vocation carried on by the company, or as the case may be by a member of the group; and
  - (b) an asset is a chargeable asset in relation to a company or a group at any time if, on a disposal at that time, a gain accruing to the company, or as the case may be to a member of the group, would be a chargeable gain.
- (4) Where the shares disposed of are shares of the holding company of a trading group, then for the purposes of this paragraph—

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (a) the holding by one member of the group of the ordinary share capital of another member shall not count as a chargeable asset, and
  - (b) if the whole of the ordinary share capital of a 51 per cent. subsidiary of the holding company is not owned directly or indirectly by that company, the value of the chargeable assets of the subsidiary shall be taken to be reduced by multiplying it by the fraction of which the denominator is the whole of the ordinary share capital of the subsidiary and the numerator is the amount of that share capital owned directly or indirectly by the holding company.
- (5) Expressions used in sub-paragraph (4) above have the same meanings as in section 838 of the Taxes Act 1988.]

#### Textual Amendments

**F53** Sch. 4 para. 7 substituted by Finance Act 1989 (c. 26, SIF 63:2), s. 124 and Sch. 14 para. 3(7) in relation to disposals on or after 14 March 1989 (except where relief given under Finance Act 1980 (c. 48, SIF 63:1), s. 79 in respect of a disposal before that date)

#### *Reduction where gain partly relieved by retirement relief*

- 8 (1) If, in the case of a disposal of an asset—
- (a) the disposal is of a chargeable business asset and is comprised in a disposal of the whole or part of a business in respect of gains accruing on which the transferor is entitled to relief under [<sup>F54</sup>Schedule 20 to the Finance Act 1985] (transfer of business on retirement), and
  - (b) apart from this paragraph, the held-over gain on the disposal (as reduced, where appropriate, under the preceding provisions of this Part of this Schedule) would exceed the amount of the chargeable gain which, apart from section 126 of this Act, would accrue on the disposal,
- the amount of that held-over gain shall be reduced by the amount of the excess.
- (2) In sub-paragraph (1) above “chargeable business asset” has the same meaning as in [<sup>F54</sup>Schedule 20 to the Finance Act 1985].
- (3) If, in the case of a disposal of shares,—
- (a) the disposal is or forms part of a disposal of shares in respect of the gains accruing on which the transferor is entitled to relief under [<sup>F54</sup>Schedule 20 to the Finance Act 1985], and
  - (b) apart from this paragraph, the held-over gain on the disposal (as reduced, where appropriate, under paragraph 7 above) would exceed an amount equal to the relevant proportion of the chargeable gain which, apart from section 126 of this Act, would accrue on the disposal,
- the amount of that held-over gain shall be reduced by the amount of the excess.
- (4) In sub-paragraph (3) above “the relevant proportion”, in relation to a disposal falling within paragraph (a) of that sub-paragraph, means [<sup>F54</sup>the appropriate proportion determined under Schedule 20 to the Finance Act 1985] in relation to the aggregate sum of the gains which accrue on that disposal.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

### Textual Amendments

- F54** Words substituted by Finance Act 1985 (c. 54), s. 70(9) with respect to disposals on which relief falls to be given under Finance Act 1985 (c. 54), Sch. 20 from 6 April 1985

## SCHEDULE 5

Section 28(3).

### ASSETS HELD ON 6TH APRIL 1965

#### Modifications etc. (not altering text)

- C9** See— Capital Gains Tax Act 1979 (c. 14), s. 123A; Finance (No. 2) Act 1983 (c. 49), s. 7(5); Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), Sch. 29; Finance Act 1988 (c. 39, SIF 63:1, 2), s. 96(3); Trustee Savings Banks Act 1985 (c. 58, SIF 110), s. 5 and Sch. 2 para. 2(2)
- C10** Sch. 5 modified by Finance Act 1990 (c. 29, SIF 63:1), s. 80, Sch. 12 para. 2(1)

## PART I

### QUOTED SECURITIES

#### *Deemed acquisition at 6th April 1965 value*

- 1 (1) This paragraph applies—
- (a) to shares and securities which on 6th April 1965 have quoted market values on a recognised stock exchange in the United Kingdom or elsewhere, or which have had such quoted market values at any time in the period of six years ending on 6th April 1965, and
  - (b) to rights of unit holders in any unit trust scheme the prices of which are published regularly by the managers of the scheme.
- (2) For the purposes of this Act it shall be assumed, wherever relevant, that any assets to which this paragraph applies were sold by the owner, and immediately re-acquired by him, at their market value on 6th April 1965.
- (3) This paragraph shall not apply in relation to a disposal of shares or securities of a company by a person to whom those shares or securities were issued as an employee either of the company or of some other person on terms which restrict his rights to dispose of them.

#### *Restriction of gain or loss by reference to actual cost*

- 2 (1) Subject to the rights of election conferred by paragraphs 4 to 7 below, paragraph 1(2) above shall not apply in relation to a disposal of assets—
- (a) if on the assumption in paragraph 1(2) a gain would accrue on that disposal to the person making the disposal and either a smaller gain or a loss would

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

so accrue (computed in accordance with Chapter II of Part II) if paragraph 1(2) did not apply, or

- (b) if on the assumption in paragraph 1(2) a loss would so accrue and either a smaller loss or a gain would accrue if paragraph 1(2) did not apply,

and accordingly the amount of the gain or loss accruing on the disposal shall be computed without regard to the preceding provisions of this Schedule except that in a case where this sub-paragraph would otherwise substitute a loss for a gain or a gain for a loss it shall be assumed, in relation to the disposal, that the relevant assets were sold by the owner, and immediately re-acquired by him, for a consideration such that, on the disposal, neither a gain nor a loss accrued to the person making the disposal.

- (2) For the purpose of—

- (a) identifying shares or securities held on 6th April 1965 with shares or securities previously acquired, and
- (b) identifying the shares or securities held on that date with shares or securities subsequently disposed of, and distinguishing them from shares or securities acquired subsequently,

so far as that identification is needed for the purposes of sub-paragraph (1) above, and so far as the shares or securities are of the same class, shares or securities acquired at [<sup>F55</sup>a later time] shall be deemed to be disposed of before shares or securities acquired at [<sup>F55</sup>an earlier time].

- (3) Sub-paragraph (2) above has effect subject to section 66 of this Act (disposal on or before day of acquisition).

#### Textual Amendments

**F55** Words substituted by [Finance Act 1982 \(c. 39, SIF 63:2\)](#), [s. 88\(8\)](#) and Sch. 13 para. 11 with respect to securities acquired before 6 April 1982 or in the case of a company, 1 April 1982

#### Modifications etc. (not altering text)

**C11** See also [Finance Act 1985 \(c. 54\)](#), [s. 68\(3\)\(a\)](#) and Sch. 19 para. 6(3)

### *Exclusion of pooling*

- 3 (1) Subject to the rights of election conferred by paragraphs 4 to 7 below, section 65 of this Act (pooling of shares and other assets) shall not apply to quoted securities held on 6th April 1965.

- (2) Where—

- (a) a disposal was made out of quoted securities before 20th March 1968 (that is to say before the date on which the provisions re-enacted in sub-paragraph (1) above took effect), and
- (b) by virtue of paragraph 2 of Schedule 7 to the <sup>M5</sup>Finance Act 1965 (re-enacted as section 65 of this Act) some of the quoted securities out of which the disposal was made were acquired before 6th April 1965, and some later

then in computing the gain accruing on any disposal of quoted securities the question of what remained undisposed of on the earlier disposal shall be decided on the footing that sub-paragraph (1) above had effect as respects that earlier disposal.



*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (3) The rules of identification in paragraph 2(2) above shall apply for the purposes of this paragraph as they apply for the purposes of the said paragraph 2.

**Marginal Citations**

M5 1965 c. 25.

*Election for pooling*

- 4 (1) If a person so elects, quoted securities covered by the election shall be excluded from paragraphs 2 and 3 above (so that neither paragraph 1(2) above nor section 65 of this Act is excluded by those paragraphs as respects those securities).
- (2) An election made by any person under this paragraph shall be as respects all disposals made by him at any time, including disposals made before the election but after 19th March 1968—
- (a) of quoted securities of kinds other than fixed-interest securities and preference shares, or
  - (b) of fixed-interest securities and preference shares,
- and references to the quoted securities covered by an election shall be construed accordingly.
- Any person may make both of the elections.
- (3) An election under this paragraph shall not cover quoted securities which the holder acquired on a disposal after 19th March 1968 in relation to which either of the following enactments (which secure that neither a gain nor a loss accrues on the disposal) applies, that is—
- (a) section 44 of this Act (disposals between husband and wife),
  - (b) section 273(1) of [<sup>F56</sup>the Taxes Act 1970] (disposals within a group of companies),
- but this paragraph shall apply to the quoted securities so held if the person making the original disposal (that is to say the wife or husband of the holder, or the other member of the group of companies) makes an election covering quoted securities of the kind in question.
- For the purpose of identifying quoted securities disposed of by the holder with quoted securities acquired by him on a disposal in relation to which either of the said enactments applies, so far as they are of the same class, quoted securities acquired at an earlier time shall be deemed to be disposed of before quoted securities acquired at a later time.
- (4) For the avoidance of doubt it is hereby declared—
- (a) that where a person makes an election under this paragraph as respects quoted securities which he holds in one capacity, that election does not cover quoted securities which he holds in another capacity, and
  - (b) that an election under this paragraph is irrevocable.
- (5) An election under this paragraph shall be made by notice in writing to the inspector not later than the expiration of two years from the end of the year of assessment or

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

accounting period of a company in which the first relevant disposal is made, or such further time as the Board may allow.

- (6) Subject to paragraph 5 below, in this paragraph the “first relevant disposal”, in relation to each of the elections referred to in sub-paragraph (2) of this paragraph, means the first disposal after 19th March 1968 by the person making the election of quoted securities of the kind covered by that election.
- (7) All such adjustments shall be made, whether by way of discharge or repayment of tax, or the making of assessments or otherwise, as are required to give effect to an election under this paragraph.

#### Textual Amendments

**F56** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 15](#)

#### Modifications etc. (not altering text)

**C12** See [Finance Act 1985 \(c. 54\)](#), [s. 68\(3\)\(a\)](#) and [Sch. 19 para. 6\(4\)](#)

#### *Election by principal company of group*

- 5 (1) In the case of companies which at the relevant time are members of a group of companies—
- (a) an election under paragraph 4 above by the company which at that time is the principal company of the group shall have effect also as an election by any other company which at that time is a member of the group, and
  - (b) no election under that paragraph may be made by any other company which at that time is a member of the group.
- (2) In this paragraph “the relevant time”, in relation to a group of companies, and in relation to each of the elections referred to in paragraph 4(2) above, is the first occasion after 19th March 1968 when any company which is then a member of a group disposes of quoted securities of a kind covered by that election, and for the purposes of paragraph 4(5) above that occasion is, in relation to the group, “the first relevant disposal”.
- (3) This paragraph shall not apply in relation to quoted securities of either kind referred to in paragraph 4(2) above which are owned by a company which, in some period after 19th March 1968 and before the relevant time, was not a member of the group if in that period it had made an election under paragraph 4 above in relation to securities of that kind (or was treated by virtue of this paragraph, in relation to another group, as having done so), or had made a disposal of quoted securities of that kind and did not make an election within the time limited by paragraph 4(5) above.
- (4) This paragraph shall apply notwithstanding that a company ceases to be a member of the group at any time after the relevant time.
- (5) In this paragraph “company” and “group” shall be construed in accordance with subsections (1) and (2) of section 272 of [<sup>F57</sup>the Taxes Act 1970].

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

#### Textual Amendments

F57 Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 15](#)

#### Modifications etc. (not altering text)

C13 See [Finance Act 1985 \(c. 54\)](#), [s. 68\(3\)\(a\)](#) and Sch. 19 para. 6(4)

#### *Pooling at value on 6th April 1965: exchange of securities etc.*

- 6
- (1) Where a person who has made only one of the elections under paragraph 4 above disposes of quoted securities which, in accordance with Chapter II of Part IV of this Act, are to be regarded as being or forming part of a new holding, the election shall apply according to the nature of the quoted securities disposed of, notwithstanding that under the said Chapter the new holding is to be regarded as the same asset as the original holding and that the election would apply differently to the original holding.
  - (2) Where the election does not cover the disposal out of the new holding, but does cover quoted securities of the kind comprised in the original holding, then in computing the gain accruing on the disposal out of the new holding (in accordance with paragraph 3 above) the question of what remained undisposed of on any disposal out of the original holding shall be decided on the footing that paragraph 3 above applied to that earlier disposal.
  - (3) In the case converse to that in sub-paragraph (2) above (that is to say where the election covers the disposal out of the new holding, but does not cover quoted securities of the kind comprised in the original holding) the question of how much of the new holding derives from quoted securities held on 6th April 1965, and how much derives from other quoted securities, shall be decided as it is decided for the purposes of paragraph 3 above.

#### Modifications etc. (not altering text)

C14 See [Finance Act 1985 \(c. 54\)](#), [s. 68\(3\)\(a\)](#) and Sch. 19 para. 6(4)

#### *Underwriters*

- 7
- No election under paragraph 4 above shall cover quoted securities comprised in any underwriter's premiums trust fund, or premiums trust fund deposits, or personal reserves, being securities comprised in funds to which section 142 of this Act applies.

#### Modifications etc. (not altering text)

C15 See [Finance Act 1985 \(c. 54\)](#), [s. 68\(3\)\(a\)](#) and Sch. 19 para. 6(4)

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

*Interpretation of paragraphs 3 to 7*

- 8 (1) In paragraphs 3 to 7 above—
- “quoted securities” means assets to which paragraph 1 above applies,
- “fixed interest security” means any security as defined by section 82 of this Act,
- “preference share” means any share the holder whereof has a right to a dividend at a fixed rate, but has no other right to share in the profits of the company.
- (2) If and so far as the question whether at any particular time a share was a preference share depends on the rate of dividends payable on or before 5th April 1973, the reference in the definition of “preference share” in sub-paragraph (1) above to a dividend at a fixed rate includes a dividend at a rate fluctuating in accordance with the standard rate of income tax.

**Modifications etc. (not altering text)**

**C16** See Finance Act 1985 (c. 54), s. 68(3)(a) and Sch. 19 para. 6(4)

**PART II**

LAND REFLECTING DEVELOPMENT VALUE

*Valuation at 6th April 1965*

- 9 (1) This paragraph shall apply in relation to a disposal of an asset which is an interest in land situated in the United Kingdom—
- (a) if, but for this paragraph, the expenditure allowable as a deduction in computing under Chapter II of Part II of this Act the gain accruing on the disposal would include any expenditure incurred before 6th April 1965, and
- (b) if the consideration for the asset acquired on the disposal exceeds the current use value of the asset at the time of the disposal, or if any material development of the land has been carried out after 17th December 1973 since the person making the disposal acquired the asset.
- (2) For the purposes of this Act, including Chapter II of Part II, it shall be assumed in relation to the disposal and, if it is a part disposal, in relation to any subsequent disposal of the asset which is an interest in land situated in the United Kingdom that that asset was sold by the person making the disposal, and immediately reacquired by him, at its market value on 6th April 1965.
- (3) Sub-paragraph (2) above shall apply also in relation to any prior part disposal of the asset and, if tax has been charged, or relief allowed, by reference to that part disposal on a different footing, all such adjustments shall be made, whether by way of assessment or discharge or repayment of tax, as are required to give effect to the provisions of this sub-paragraph.
- (4) Sub-paragraph (2) above shall not apply in relation to a disposal of assets—

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (a) if on the assumption in that sub-paragraph a gain would accrue on that disposal to the person making the disposal and either a smaller gain or a loss would so accrue (computed in accordance with the provisions of Chapter II of Part II of this Act) if the said sub-paragraph (2) did not apply, or
- (b) if on the assumption in the said sub-paragraph (2) a loss would so accrue and either a smaller loss or a gain would accrue if the said sub-paragraph (2) did not apply,

and accordingly the amount of the gain or loss accruing on the disposal shall be computed without regard to the provisions of this Schedule except that in a case where this sub-paragraph would otherwise substitute a loss for a gain or a gain for a loss it shall be assumed, in relation to the disposal, that the relevant assets were sold by the owner, and immediately re-acquired by him, for a consideration such that, on the disposal, neither a gain nor a loss accrued to the person making the disposal.

(5) For the purposes of this paragraph—

- (a) “interest in land” has the meaning given by section 44(1) of the <sup>M6</sup>Finance Act 1974,
- (b) “material development” has the meaning given by paragraph 6 of Schedule 3 to the <sup>M7</sup>Finance Act 1974,
- (c) the current use value of an interest in land shall be computed in accordance with Part I of the said Schedule 3, but so that, in relation to any material development which was begun before 18th December 1973, sub-paragraph (2) of paragraph 1 of that Schedule (definition of current use value) shall have effect as if the words from “other than” to the end of the sub-paragraph (which allow for the completion of duly authorised material development already begun) were omitted,
- (d) paragraph 9 of the said Schedule 3 (date when material development is begun) shall apply as it applies for the purposes of that Schedule, and
- (e) paragraph 14 of the said Schedule 3 (meaning of material development “carried out after” a particular date) shall apply as it applies for the purposes of paragraphs 11 to 13 of that Schedule.

**Marginal Citations**

**M6** 1974 c. 30.

**M7** 1974 c. 30.

*Allowance for betterment levy*

- 10 Paragraph 9(1) above has effect subject to paragraph 21(2) of Schedule 6 to this Act (valuation at 6th April 1965 on a claim under that paragraph).

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

### PART III

#### OTHER ASSETS

*Apportionment by reference to straightline growth of gain or loss over period of ownership*

- 11 (1) This paragraph applies subject to Parts I and II of this Schedule.
- (2) On the disposal of assets by a person whose period of ownership began before 6th April 1965 only so much of any gain accruing on the disposal as is under this paragraph to be apportioned to the period beginning with 6th April 1965 shall be a chargeable gain.
- (3) Subject to the following provisions of this Schedule, the gain shall be assumed to have grown at a uniform rate from nothing at the beginning of the period of ownership to its full amount at the time of the disposal so that, calling the part of that period before 6th April 1965, P, and the time beginning with 6th April 1965 and ending with the time of the disposal T, the fraction of the gain which is a chargeable gain is

$$E(0) \frac{T}{P+T} + E(1) \frac{T}{P(1)+T} + E(2) \frac{T}{P(2)+T}$$

- (4) If any of the expenditure which is allowable as a deduction in the computation under Chapter II of Part II of this Act of the gain is within section 32(1)(b) of this Act—
- the gain shall be attributed to the expenditure, if any, allowable under paragraph (a) of the said section 32(1) as one item of expenditure, and to the respective items of expenditure under the said section 32(1)(b) in proportion to the respective amounts of those items of expenditure,
  - sub-paragraph (3) of this paragraph shall apply to the part of the gain attributed to the expenditure under the said section 32(1)(a),
  - each part of the gain attributed to the items of expenditure under the said section 32(1)(b) shall be assumed to have grown at a uniform rate from nothing at the time when the relevant item of expenditure was first reflected in the value of the asset to the full amount of that part of the gain at the time of the disposal,

so that, calling the respective proportions of the gain E(0), E(1), E(2) and so on (so that they add up to unity) and calling the respective periods from the times when the items under the said section 32(1)(b) were reflected in the value of the asset to 5th April 1965 P(1), P(2) and so on, and employing also the abbreviations in sub-paragraph (3) above, the fraction of the gain which is a chargeable gain is

$$E\left(0\right) \frac{T}{P+T} + E\left(1\right) \frac{T}{P(1)+T} + E\left(2\right) \frac{T}{P(2)+T}$$

and so on.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (5) In a case within sub-paragraph (4) above where there is no initial expenditure (that is no expenditure under section 32(1)(a) of this Act) or that initial expenditure is, compared with any item of expenditure under section 32(1)(b), disproportionately small having regard to the value of the asset immediately before the subsequent item of expenditure was incurred, the part of the gain which is not attributable to the enhancement of the value of the asset due to any item of expenditure under the said section 32(1)(b) shall be deemed to be attributed to expenditure incurred at the beginning of the period of ownership and allowable under section 32(1)(a), and the part or parts of the gain attributable to expenditure under section 32(1)(b) shall be reduced accordingly.
- (6) The beginning of the period over which a gain, or a part of a gain, is, under sub-paragraphs (3) and (4) above, to be treated as growing shall not be earlier than 6th April 1945, and this sub-paragraph shall have effect notwithstanding any provision in this Schedule or elsewhere in this Act.
- (7) If in pursuance of section 35 of this Act (part disposals) an asset's market value at a date before 6th April 1965 is to be ascertained sub-paragraphs (3) to (5) above shall have effect as if that asset had been on that date sold by the owner, and immediately re-acquired by him, at that market value.
- (8) If in pursuance of section 35 of this Act an asset's market value at a date on or after 6th April 1965 is to be ascertained sub-paragraphs (3) to (5) above shall have effect as if—
  - (a) the asset on that date had been sold by the owner, and immediately re-acquired by him, at that market value, and
  - (b) accordingly, the computation of any gain on a subsequent disposal of that asset shall be computed—
    - (i) by apportioning in accordance with this paragraph the gain or loss over a period ending on the said date (the date of the part disposal), and
    - (ii) by bringing into account the entire gain or loss over the period from the date of the part disposal to the date of subsequent disposal.
- (9) For the purposes of this paragraph the period of ownership of an asset shall, where under section 36 of this Act (assets derived from other assets) account is to be taken of expenditure in respect of an asset from which the asset disposed of was derived, or where it would so apply if there were any relevant expenditure in respect of that other asset, include the period of ownership of that other asset.
- (10) If under this paragraph part only of a gain is a chargeable gain, the fraction in 102(2) of this Act (private residences: amount of relief) shall be applied to that part, instead of to the whole of the gain.

**Modifications etc. (not altering text)**

C17 See Finance Act 1988 (c. 39, SIF 63;1, 2), s. 96 and Sch. 8 para. 10

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

*Election for valuation at 6th April 1965*

- 12 (1) If the person making a disposal so elects paragraph 11 of this Schedule shall not apply in relation to that disposal and it shall be assumed, both for the purposes of computing under Chapter II of Part II of this Act the gain accruing to that person on the disposal, and for all other purposes both in relation to that person and other persons, that the assets disposed of, and any assets of which account is to be taken in relation to the disposal under section 36 of this Act, being assets which were in the ownership of the said person on 6th April 1965, were on that date sold, and immediately re-acquired, by him at their market value on the said 6th April 1965.
- (2) Sub-paragraph (1) above shall not apply in relation to a disposal of assets if on the assumption in that sub-paragraph a loss would accrue on that disposal to the person making the disposal and either a smaller loss or a gain would accrue if the said sub-paragraph (1) did not apply, but in a case where this sub-paragraph would otherwise substitute a gain for a loss it shall be assumed, in relation to the disposal, that the relevant assets were sold by the owner, and immediately re-acquired by him, for a consideration such that, on the disposal, neither a gain nor a loss accrued to the person making the disposal.
- The displacement of sub-paragraph (1) above by this sub-paragraph shall not be taken as bringing paragraph 11 above into operation.
- (3) An election under this paragraph shall be made by notice in writing to the inspector given within two years from the end of the year of assessment or accounting period of a company in which the disposal is made or such further time as the Board may by notice in writing allow.
- (4) For the avoidance of doubt it is hereby declared that an election under this paragraph is irrevocable.
- (5) An election may not be made under this paragraph as respects, or in relation to, an asset the market value of which at a date on or after 6th April 1965, and before the date of the disposal to which the election relates, is to be ascertained in pursuance of section 35 of this Act (part disposals).

**Modifications etc. (not altering text)**

**C18** See [Trustee Savings Banks Act 1985 \(c. 58, SIF 110\)](#), [s. 5](#) and Sch. 2 para. 3(2) for calculation of the market value of shares in successors to existing banks acquired by new holding companies under that Act for the purposes of [Capital Gains Tax Act 1979 \(c. 14\)](#), [Sch. 5 para. 12](#)

*Unquoted shares, commodities, etc.*

- 13 (1) This paragraph has effect as respects shares held by any person on 6th April 1965 other than shares which are to be treated under this Act as if disposed of and immediately re-acquired by him on that date.
- (2) Section 65 of this Act (pooling of shares and other assets) shall not apply in relation to the shares while that person continues to hold them and, in particular, shall not apply in relation to a disposal of the shares by him.



*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (3) For the purpose of—
- (a) identifying the shares so held on 6th April 1965 with shares previously acquired, and
  - (b) identifying the shares so held on that date with shares subsequently disposed of, and distinguishing them from shares acquired subsequently,
- so far as the shares are of the same class shares bought at [<sup>F58</sup>a later time] shall be deemed to have been disposed of before shares bought at [<sup>F58</sup>an earlier time].
- (4) Sub-paragraph (3) above has effect subject to section 66 of this Act (disposal on or before day of acquisition).
- (5) Shares shall not be treated for the purposes of this paragraph as being of the same class unless if dealt with on a recognised stock exchange in the United Kingdom or elsewhere they would be so treated, but shall be treated in accordance with this paragraph notwithstanding that they are identified in a different way by a disposal or by the transfer or delivery giving effect to it.
- (6) This paragraph, without sub-paragraph (5), shall apply in relation to any assets, other than shares, which are of a nature to be dealt with without identifying the particular assets disposed of or acquired.

#### Textual Amendments

**F58** Words substituted by [Finance Act 1982 \(c. 39, SIF 63:2\)](#), [s. 88\(8\)](#) and Sch. 13 para. 11 with respect to securities acquired before 6 April 1982 or in the case of a company, 1 April 1982

#### *Reorganisation of share capital, conversion of securities, etc.*

- 14 (1) For the purposes of this Act, including Chapter II of Part II, it shall be assumed that any shares or securities held by a person on 6th April 1965 (identified in accordance with paragraph 13 above) which, in accordance with Chapter II of Part IV of this Act, are to be regarded as being or forming part of a new holding were sold and immediately re-acquired by him on 6th April 1965 at their market value on that date.
- (2) If, at any time after 5th April 1965, a person comes to have, in accordance with the said Chapter II of Part IV, a new holding sub-paragraphs (3) to (5) of paragraph 11 above shall have effect as if—
- (a) the new holding had at that time been sold by the owner, and immediately re-acquired by him, at its market value at that time, and
  - (b) accordingly, the amount of any gain on a disposal of the new holding or any part of it shall be computed—
    - (i) by apportioning in accordance with paragraph 11 above the gain or loss over a period ending at the said time, and
    - (ii) by bringing into account the entire gain or loss over the period from that time to the date of the disposal.
- (3) This paragraph shall not apply in relation to a reorganisation of a company's share capital if the new holding differs only from the original shares in being a different number, whether greater or less, of shares of the same class as the original shares.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

## PART IV

### MISCELLANEOUS

#### *Capital allowances*

- 15 If under any provision in this Schedule it is to be assumed that any asset was on 6th April 1965 sold by the owner, and immediately re-acquired by him, sections 34 and 39 of this Act (restriction of losses by reference to capital allowances, and wasting assets qualifying for capital allowances) shall apply in relation to any capital allowance or renewals allowance made in respect of the expenditure actually incurred by the owner in providing the asset, and so made for the year 1965-66 or for any subsequent year of assessment, as if it were made in respect of the expenditure which, on the said assumption, was incurred by him in re-acquiring the asset on 7th April 1965.

#### *Assets transferred to close companies*

- 16 (1) This paragraph has effect where—
- (a) at any time, including a time before 7th April 1965, any of the persons having control of a close company, or any person who is connected with a person having control of a close company, has transferred assets to the company, and
  - (b) paragraph 11 above applies in relation to a disposal by one of the persons having control of the company of shares or securities in the company, or in relation to a disposal by a person having, up to the time of disposal, a substantial holding of shares or securities in the company, being in either case a disposal after the transfer of the assets.
- (2) So far as the gain accruing to the said person on the disposal of the shares is attributable to a profit on the assets so transferred, the period over which the gain is to be treated under paragraph 11 above as growing at a uniform rate shall begin with the time when the assets were transferred to the company, and accordingly a part of a gain attributable to a profit on assets transferred on or after 6th April 1965 shall all be a chargeable gain.
- (3) This paragraph shall not apply where a loss, and not a gain, accrues on the disposal.

#### *Husbands and wives*

- 17 Where section 44 of this Act is applied in relation to a disposal of an asset by a man to his wife, or by a man's wife to him, then in relation to a subsequent disposal of the asset (not within section 44) the one making the disposal shall be treated for the purposes of this Schedule as if the other's acquisition or provision of the asset had been his or her acquisition or provision of it.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

### *Compensation and insurance money*

- 18 Where section 21(4)(a) of this Act applies to exclude a gain which, in consequence of this Schedule, is not all chargeable gain, the amount of the reduction to be made under section 21(4)(b) (corresponding reduction in allowable expenditure in respect of new asset) shall be the amount of the chargeable gain and not the whole amount of the gain; and in section 21(5)(b) of this Act (corresponding reduction in allowable expenditure in respect of the new asset where part only of the consideration in respect of the old asset has been applied as such expenditure) for the reference to the amount by which the gain is reduced under section 21(5)(a) there shall be substituted a reference to the amount by which the chargeable gain is proportionately reduced under the said section 21(5)(a).

## SCHEDULE 6

Section 157(1).

### TRANSITORY

#### PART I

#### VALUATION

##### *Preliminary*

- 1 This Part of this Schedule has effect in cases where the market value of an asset or any part of it at a time before the commencement of this Act is material to the computation of a gain under this Act, and in those cases—
- (a) section 150 of this Act (which is the same as paragraph 2 below with the amendments in paragraph 4) shall not apply,
  - (b) section 152 of this Act shall only apply to the extent specified in paragraphs 5 to 8 below,
- (but sections 151 and 153 of this Act shall apply in those cases as in later cases).

##### *Original rules*

- 2 (1) “Market value” in relation to any assets means the price which those assets might reasonably be expected to fetch on a sale in the open market.
- (2) In estimating the market value of any assets no reduction shall be made in the estimate on account of the estimate being made on the assumption that the whole of the assets is to be placed on the market at one and the same time:  
Provided that where capital gains tax is chargeable, or an allowable loss accrues, in consequence of a death before 31st March 1971 and the market value of any property on the date of death taken into account for the purposes of that tax or loss has been depreciated by reason of the death the estimate of the market value shall take that depreciation into account.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (3) The market value of shares or securities quoted on the London Stock Exchange shall, except where in consequence of special circumstances prices so quoted are by themselves not a proper measure of market value, be as follows—
- (a) the lower of the two prices shown in the quotations for the shares or securities in the Stock Exchange Official Daily List on the relevant date plus one-quarter of the difference between those two figures, or
  - (b) halfway between the highest and lowest prices at which bargains, other than bargains done at special prices, were recorded in the shares or securities for the relevant date,
- choosing the amount under paragraph (a) if less than that under paragraph (b), or if no such bargains were recorded for the relevant date, and choosing the amount under paragraph (b) if less than that under paragraph (a):
- Provided that—
- (i) this sub-paragraph shall not apply to shares or securities for which some other stock exchange in the United Kingdom affords a more active market, and
  - (ii) if the London Stock Exchange is closed on the relevant date the market value shall be ascertained by reference to the latest previous date or earliest subsequent date on which it is open, whichever affords the lower market value.
- (4) “Market value” in relation to any rights of unit holders in any unit trust scheme the buying and selling prices of which are published regularly by the managers of the scheme shall mean an amount equal to the buying price (that is the lower price) so published on the relevant date, or if none were published on that date, on the latest date before.
- (5) In relation to an asset of a kind the sale of which is subject to restrictions imposed under the <sup>M8</sup>Exchange Control Act 1947 such that part of what is paid by the purchaser is not retainable by the seller the market value, as arrived at under sub-paragraph (1), (3) or (4) above, shall be subject to such adjustment as is appropriate having regard to the difference between the amount payable by a purchaser and the amount receivable by a seller.
- (6) This paragraph has effect subject to the following provisions of this Part of this Schedule.

#### Marginal Citations

M8 1947 c. 14.

#### *Value of quoted securities on 6th April 1965*

- 3 (1) For the purpose of ascertaining the market value of any shares or securities in accordance with paragraph 1(2) of Schedule 5 to this Act, paragraph 2 above shall have effect subject to the provisions of this paragraph.
- (2) Sub-paragraph (3)(a) of that paragraph shall have effect as if for the words, “one-quarter” there were substituted the words “one-half”, and as between the amount under paragraph (a) and the amount under paragraph (b) of that sub-paragraph the higher, and not the lower, amount shall be chosen.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

- (3) Sub-paragraph (4) of that paragraph shall have effect as if for the reference to an amount equal to the buying price there were substituted a reference to an amount halfway between the buying and selling prices.
- (4) Where the market value of any shares or securities not within the said sub-paragraph (3) falls to be ascertained by reference to a pair of prices quoted on a stock exchange, an adjustment shall be made so as to increase the market value by an amount corresponding to that by which any market value is increased under sub-paragraph (2) above.

*References to Stock Exchange on or after 25th March 1973*

- 4 Except in relation to anything done before 25th March 1973, paragraph 2(3) above shall have effect subject to the following amendments—
- (a) for the words “quoted on the London Stock Exchange” there shall be substituted the words “listed in The Stock Exchange Daily Official List” and for the words “so quoted” the words “quoted in that List”;
  - (b) for the words “the Stock Exchange Official Daily List” there shall be substituted the words “The Stock Exchange Daily Official List”;
  - (c) for the words “some other stock exchange in the United Kingdom affords a more active market” there shall be substituted the words “The Stock Exchange provides a more active market elsewhere than on the London trading floor”; and
  - (d) for the words “if the London Stock Exchange is closed” there shall be substituted the words “if the London trading floor is closed”.

*Unquoted shares and securities: application of section 152  
to acquisitions before commencement of this Act*

- 5 Paragraphs 6 to 8 below shall have effect with respect to the application of section 152 of this Act, and in those paragraphs “asset” means an asset to which that section applies.
- 6 Subject to paragraphs 7 and 8 below, if the market value of an asset or any part of it at the time of its acquisition is material to the computation of any chargeable gain under this Act then, notwithstanding that the acquisition may have occurred before 6th July 1973 (the date on which the provision re-enacted in section 152 of this Act first came into operation as respects disposals) or that the market value of the asset at the time of its acquisition may have been fixed for the purposes of a contemporaneous disposal, section 152 of this Act shall apply for the purposes of the determination of the market value of the asset or, as the case may be, that part of it at the time of its acquisition.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

*Unquoted shares or securities: acquisition on death*

- 7 (1) This paragraph applies if, in a case where the market value of an asset at the time of its acquisition is material as mentioned in paragraph 6 above,—
- (a) the acquisition took place on the occasion of a death occurring after 30th March 1971 and before 6th July 1973, and
  - (b) by virtue of paragraph 9 below, the principal value of the asset for the purposes of estate duty on that death would, apart from this paragraph, be taken to be the market value of the asset at the date of the death for the purposes of this Act.
- (2) If the principal value referred to in sub-paragraph (1)(b) above falls to be determined as mentioned in section 55 of the <sup>M9</sup>Finance Act 1940 or section 15 of the <sup>M10</sup>Finance (No. 2) Act (Northern Ireland) 1946 (certain controlling shareholdings to be valued on an assets basis), nothing in section 152 of this Act shall affect the operation of paragraph 9 below for the purpose of determining the market value of the asset at the date of the death.
- (3) If sub-paragraph (2) above does not apply, paragraph 9 below shall not apply as mentioned in sub-paragraph (1)(b) above and the market value of the asset on its acquisition at the date of the death shall be determined in accordance with paragraphs 2 and 6 above.

**Marginal Citations**

**M9** 1940 c. 29.

**M10** 1946 c. 17 (N.I.)

*Unquoted shares or securities: prior part disposal*

- 8 (1) In any case where—
- (a) before 6th July 1973 there has been a part disposal of an asset to which section 152 of this Act applies (in this paragraph referred to as “the earlier disposal”), and
  - (b) by virtue of any enactment, the acquisition of the asset or any part of it was deemed to be for a consideration equal to its market value, and
  - (c) on or after 6th July 1973 there is a disposal (including a part disposal) of the property which remained undisposed of immediately before that date (in this paragraph referred to as “the later disposal”),
- sub-paragraph (2) below shall apply in computing any chargeable gain accruing on the later disposal.
- (2) Where this sub-paragraph applies, the apportionment made by virtue of paragraph 7 of Schedule 6 to the <sup>M11</sup>Finance Act 1965 (corresponding to section 35 of this Act) on the occasion of the earlier disposal shall be recalculated on the basis that section 152(3) of this Act was in force at the time, and applied for the purposes, of the determination of—
- (a) the market value referred to in sub-paragraph (1)(b) above, and

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (b) the market value of the property which remained undisposed of after the earlier disposal, and
- (c) if the consideration for the earlier disposal was, by virtue of any enactment, deemed to be equal to the market value of the property disposed of, that market value.

**Marginal Citations**

**M11** 1965 c. 25.

*Value determined for estate duty*

- 9
- (1) Where estate duty (including estate duty leviable under the law of Northern Ireland) is chargeable in respect of any property passing on a death after 30th March 1971 and the principal value of an asset forming part of that property has been ascertained (whether in any proceedings or otherwise) for the purposes of that duty, the principal value so ascertained shall, subject to paragraph 7(3) above, be taken for the purposes of this Act to be the market value of that asset at the date of the death.
  - (2) Where the principal value has been reduced under section 35 of the <sup>M12</sup>Finance Act 1968 or section 1 of the <sup>M13</sup>Finance Act (Northern Ireland) 1968 (tapering relief for gifts inter vivos etc.), the reference in sub-paragraph (1) above to the principal value as ascertained for the purposes of estate duty is a reference to that value as so ascertained before the reduction.

**Marginal Citations**

**M12** 1968 c. 44.

**M13** 1968 c. 17 (N.I.)

**PART II**

**ASSETS ACQUIRED BEFORE COMMENCEMENT**

*Events before commencement*

- 10
- (1) The substitution of this Act for the corresponding enactments repealed by this Act shall not alter the effect of any provision enacted before this Act (whether or not there is a corresponding provision in this Act) so far as it determines whether and to what extent events in, or expenditure incurred in, or other amounts referable to, a period earlier than the chargeable periods to which this Act applies may be taken into account for any tax purposes in a chargeable period to which this Act applies.
  - (2) Without prejudice to sub-paragraph (1) above, the repeals made by this Act shall not affect—

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (a) the enactments specified in Part V of Schedule 14 to the <sup>M14</sup>Finance Act 1971 (charge on death) so far as their operation before repeal falls to be taken into account in chargeable periods to which this Act applies,
  - (b) the application of the <sup>M15</sup>enactments repealed by this Act to events before 6th April 1965 in accordance with paragraph 31 of Schedule 6 to the Finance Act 1965.
- (3) This paragraph has no application to the law relating to the determination of the market value of assets (which is stated for all relevant times and occasions in Part I of this Schedule, Part VIII of this Act).

#### Marginal Citations

**M14** 1971 c. 68.

**M15** 1965 c. 25.

### PART III

#### OTHER TRANSITORY PROVISIONS

##### *Value-shifting*

- 11 Section 26 of this Act applies only where the reduction in value mentioned in subsection (1) of that section (or, in a case within subsection (8) of that section, the reduction or increase in value) is after 29th March 1977.

##### *Assets acquired on disposal chargeable under Case VII of Schedule D*

- 12 (1) In this paragraph references to a disposal chargeable under Case VII are references to cases where the acquisition and disposal was in circumstances that the gain accruing on it was chargeable under Case VII of Schedule D, or where it would have been so chargeable if there were a gain so accruing.
- (2) The amount or value of the consideration for the acquisition of an asset by the person acquiring it on a disposal chargeable under Case VII shall not under provision of this Act be deemed to be an amount greater than the amount taken into account as consideration on that disposal for the purposes of Case VII.
- (3) Any apportionment of consideration or expenditure falling to be made in relation to a disposal chargeable under Case VII in accordance with section 164(4) of [<sup>F59</sup>the Taxes Act 1970], and in particular in a case where section 164(6) of that Act (enhancement of value of land by acquisition of adjoining land) applied, shall be followed for the purposes of this Act both in relation to a disposal of the assets acquired on the disposal chargeable under Case VII and, where the disposal chargeable under Case VII was a part disposal, in relation to a disposal of what remains undisposed of.
- (4) Sub-paragraph (3) above has effect notwithstanding section 43(4) of this Act (general provisions for apportionment).



*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

### Textual Amendments

**F59** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 15](#)

### *Unrelieved Case VII losses*

- 13 Where no relief from income tax (for a year earlier than 1971-72) has been given in respect of a loss or part of a loss allowable under Case VII of Schedule D the loss or part shall, notwithstanding that the loss accrued before that year, be an allowable loss for the purposes of capital gains tax, but subject to any restrictions imposed by section 62 of this Act (transactions between connected persons).

### *Dispositions before 27th March 1974 which attract capital transfer tax*

- 14 Paragraphs 15 and 16 below have effect in respect of dispositions before 27th March 1974 where the donor dies before 27th March 1981.

### *Gifts subject to capital transfer tax on death*

- 15 (1) Where the value of any asset comprised in a gift inter vivos is by virtue of section 22(5) of the <sup>M16</sup>Finance Act 1975 included in the value of the estate of any person for the purposes of capital transfer tax, and at the time of that person's death the asset—
- (a) is owned by the donee, or
  - (b) is property settled by the gift or property which for the purposes of section 38 of the <sup>M17</sup>Finance Act 1957 would by virtue of subsection (9) thereof be treated as property settled by the gift,
- then, subject to sub-paragraph (2) below, the asset shall for the purposes of this Act be deemed to be disposed of and immediately re-acquired at that time by the donee or trustee for a consideration equal to the value so included; but no chargeable gain shall accrue on the disposal.
- (2) Where the value so included is reduced by virtue of section 35 of the <sup>M18</sup>Finance Act 1968, the appropriate portion only of the asset shall be deemed to be so disposed of and re-acquired; and for this purpose the appropriate portion is the reduced value so included divided by the value before the reduction.

### Marginal Citations

**M16** 1975 c. 7.

**M17** 1957 c. 49.

**M18** 1968 c. 44.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

*Life interest terminated on death on which capital transfer tax is chargeable*

- 16 Where a life interest within the meaning of section 55 of this Act in settled property is terminated by the death of a person on whose death capital transfer tax is chargeable under section 22 of the <sup>M19</sup>Finance Act 1975 and, under subsection (5) of that section, a value falls to be included in respect of the settled property, then—
- (a) if that value is the principal value of the property, section 56 of this Act shall apply as if that person had been entitled to the life interest at his death, and
  - (b) if that value is a value reduced by any percentage under paragraph 3 of Part II of Schedule 17 to the <sup>M20</sup>Finance Act 1969, any chargeable gain or allowable loss accruing on the disposal deemed to be made under section 54(1) or 55(1) of this Act shall be reduced by the complementary percentage, that is to say the percentage found by subtracting the first-mentioned percentage from one hundred per cent.

**Marginal Citations**

**M19** 1975 c. 7.

**M20** 1969 c. 32.

*Devaluation of sterling: securities acquired with borrowed foreign currency*

- 17 (1) This paragraph applies where, in pursuance of permission granted under the <sup>M21</sup>Exchange Control Act 1947, currency other than sterling was borrowed before 19th November 1967 for the purpose of investing in foreign securities (and had not been repaid before that date), and it was a condition of the permission—
- (a) that repayment of the borrowed currency should be made from the proceeds of the sale in foreign currency of the foreign securities so acquired or out of investment currency, and
  - (b) that the foreign securities so acquired should be kept in separate accounts to distinguish them from others in the same ownership,
- and securities held in such a separate account on 19th November 1967 are in this paragraph referred to as “designated securities”.
- (2) In computing the gain accruing to the borrower on the disposal of any designated securities or on the disposal of any currency or amount standing in a bank account on 19th November 1967 and representing the loan the sums allowable as a deduction under section 32(1)(a) of this Act shall be increased by multiplying by seven sixths: Provided that the total amount of the increases so made in computing all gains (and losses) which are referable to any one loan (made before 19th November 1967) shall not exceed one sixth of the sterling parity value of that loan at the time it was made.
- (3) Section 65 of this Act (rules for identification: pooling) shall apply separately in relation to any designated securities held in a particular account until such time as a disposal takes place on the occurrence of which the proviso to sub-paragraph (2) above operates to limit the increases which would otherwise be made under that sub-paragraph in allowable deductions.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (4) In this paragraph and paragraph 18 below “foreign securities” means securities expressed in a currency other than sterling, or shares having a nominal value expressed in a currency other than sterling, or the dividends on which are payable in a currency other than sterling.

**Marginal Citations**

**M21** 1947 c. 14.

*Devaluation of sterling: foreign insurance funds*

- 18 (1) The sums allowable as a deduction under section 32(1)(a) of this Act in computing any gains to which this paragraph applies shall be increased by multiplying by seven-sixths.
- (2) This paragraph applies to gains accruing—
- (a) to any underwriting member of Lloyd’s or to any other approved association of underwriters, or
  - (b) to any company engaged in the business of marine protection and indemnity insurance on a mutual basis,
- on the disposal by that person after 18th November 1967 of any foreign securities which on that date formed part of a trust fund—
- (i) established by that person in any country or territory outside the United Kingdom, and
  - (ii) representing premiums received in the course of that person’s business, and
  - (iii) wholly or mainly used for the purpose of meeting liabilities arising in that country or territory in respect of that business.

*Gilt-edged securities past redemption date*

- 19 So far as material for the purposes of this or any other Act, the definition of “gilt-edged securities” in Schedule 2 to this Act shall include any securities which were specified securities for the purposes of section 41 of the <sup>M22</sup>Finance Act 1969, and the redemption date of which fell before 1st January 1979.

**Marginal Citations**

**M22** 1969 c. 32.

*Reorganisation of share capital, conversion of securities, etc.*

- 20 (1) Chapter II of Part IV of this Act has effect subject to the provisions of this paragraph.
- (2) The substitution of the said Chapter II for the enactments repealed by this Act shall not alter the law applicable to any reorganisation or reduction of share

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

capital, conversion of securities or company amalgamation taking place before the commencement of this Act.

- (3) Sub-paragraph (2) above applies in particular to the law determining whether or not any assets arising on an event mentioned in that sub-paragraph are to be treated as the same asset as the original holding of shares, securities or other assets.
- (4) Notwithstanding the preceding provisions of this paragraph, section 84 of this Act (compensation stock) shall apply where the compulsory acquisition took place after 6th April 1976, but before the commencement of this Act, as well as where it took place after the commencement of this Act.

*Land: allowance for betterment levy*

- 21 (1) Where betterment levy charged in the case of any land in respect of an act or event falling within Case B or Case C or, if it was the renewal, extension or variation of a tenancy, Case F—
  - (a) has been paid, and
  - (b) has not been allowed as a deduction in computing the profits or gains or losses of a trade for the purposes of Case I of Schedule D;
 then, if the person by whom the levy was paid disposes of the land or any part of it and so claims, the following provisions of this paragraph shall have effect for the purpose of applying Chapter II of Part II of, and Schedule 5 to, this Act to the disposal.
- (2) Paragraph 9 of Schedule 5 to this Act (sales of land reflecting development value) shall apply where the condition stated in subparagraph (1)(a) thereof is satisfied, notwithstanding that the condition stated in sub-paragraph (1)(b) thereof is not satisfied.
- (3) Subject to the following provisions of this paragraph, there shall be ascertained the excess, if any, of—
  - (a) the net development value ascertained for the purposes of the levy, over
  - (b) the increment specified in sub-paragraph (6) below;
 and the amount of the excess shall be treated as an amount allowable under section 32(1)(b) of this Act.
- (4) Where the act or event in respect of which the levy was charged was a part disposal of the land, the said section 32 shall apply as if the part disposal had not taken place and sub-paragraph (5) below shall apply in lieu of sub-paragraph (3) above.
- (5) The amount or value of the consideration for the disposal shall be treated as increased by the amount of any premium or like sum paid in respect of the part disposal, and there shall be ascertained the excess, if any, of—
  - (a) the aggregate specified in sub-paragraph (7) below, over
  - (b) the increment specified in sub-paragraph (6) below;
 and the amount of the excess shall be treated as an amount allowable under section 32(1)(b) of this Act.
- (6) The increment referred to in sub-paragraphs (3)(b) and (5)(b) above is the excess, if any, of—
  - (a) the amount or value of the consideration brought into account under section 32 (1)(a) of this Act, over

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (b) the base value ascertained for the purposes of the levy.
- (7) The aggregate referred to in sub-paragraph (5)(a) above is the aggregate of—
- (a) the net development value ascertained for the purposes of the levy, and
  - (b) the amount of any premium or like sum paid in respect of the part disposal, in so far as charged to tax under Schedule A (or, as the case may be, Case VIII of Schedule D), and
  - (c) the chargeable gain accruing on the part disposal.
- (8) Where betterment levy in respect of more than one act or event has been charged and paid as mentioned in sub-paragraph (1) above sub-paragraphs (2) to (7) above shall apply without modifications in relation to the betterment levy in respect of the first of them; but in relation to the other or others sub-paragraph (3) or, as the case may be, (5) above shall have effect as if the amounts to be treated thereunder as allowable under section 32(1)(b) of this Act were the net development value specified in sub-paragraph (3)(a) or, as the case may be, the aggregate referred to in sub-paragraph (5) (a) of this paragraph.
- (9) Where the disposal is of part only of the land sub-paragraphs (2) to (8) above shall have effect subject to the appropriate apportionments.
- (10) References in this paragraph to a premium include any sum payable as mentioned in subsection (3) or (4) of section 80 of [<sup>F60</sup>the Taxes Act 1970] (sums payable in lieu of rent or as consideration for the surrender of lease or for variation or waiver of term) and, in relation to Scotland, a grassum.

#### Textual Amendments

**F60** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 15](#)

#### *Replacement of business assets*

- 22 (1) Sections 115 to 121 of this Act (which are substituted for section 33 of the <sup>M23</sup>Finance Act 1965 as amended by subsequent enactments) have effect subject to the provisions of this paragraph.
- (2) The substitution of those sections for the enactments repealed by this Act shall not alter the effect of those repealed enactments so far as they apply where the acquisition of, or of the interest in, the new assets (but not the disposal of, or of the interest in, the old assets) was before the commencement of this Act.
- (3) Where the said section 33 of the <sup>M24</sup>Finance Act 1965 applied on the acquisition, before 23rd July 1970, of, or of an interest in, any new assets and the adjustment required to be made under subsection (1)(a) or subsection (2)(a) of that section was, by virtue of paragraph 9(5) of Schedule 14 to the <sup>M25</sup>Finance Act 1967 (allowance for development value), required to be computed as mentioned therein, any adjustment required to be made under section 115(1)(b), or 116(1)(b), of this Act shall also be so computed, notwithstanding the repeals made by the <sup>M26</sup>Finance Act 1971 (restoring development value).

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

#### Marginal Citations

**M23** 1965 c. 25.

**M24** 1965 c. 25.

**M25** 1967 c. 54.

**M26** 1971 c. 68.

#### *Transfer of business to a company*

23 Section 123 of this Act shall have effect as if after subsection (4) there were inserted as subsection (4A)—

- ( If any development gains within the meaning of Part III of the Finance Act 1974 accrue to the transferor in respect of his disposal of the assets included in the business, then for the purposes of subsection (4) above B (that is, the value of the whole of the consideration received by the transferor in exchange for the business) shall be taken to be what it would be if the value of the consideration other than shares so received by him were less by an amount equal to those gains.”

#### *Works of art etc.*

24 The repeals made by this Act do not affect the continued operation of sections 31 and 32 of the <sup>M27</sup>Finance Act 1965, in the form in which they were before 13th March 1975, in relation to estate duty in respect of deaths occurring before that date.

#### Marginal Citations

**M27** 1965 c. 25.

#### *Disposal before acquisition*

25 The substitution of this Act for the corresponding enactments repealed by this Act shall not alter the effect of any provision enacted before this Act (whether or not there is a corresponding provision in this Act) so far as it relates to an asset which—

- (a) was disposed of before being acquired, and
- (b) was disposed of before the commencement of this Act.

#### *Estate duty*

26 Nothing in the repeals made by this Act shall affect any enactment as it applies to the determination of any principal value for the purposes of estate duty.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

*Income and corporation tax: premiums on leases*

- 27 The repeal by this Act of section 116(3) of the <sup>M28</sup>Finance Act 1972 shall not affect its application by paragraph 3 of Schedule 13 to that Act.

**Marginal Citations**

**M28** 1972 c. 41.

*Validity of subordinate legislation*

- 28 So far as this Act re-enacts any provision contained in a statutory instrument made in exercise of powers conferred by any Act, it shall be without prejudice to the validity of that provision, and any question as to its validity L36 shall be determined as if the re-enacted provision were contained in a statutory instrument made under those powers.

*Saving for Part II of this Schedule*

- 29 The provisions of this Part of this Schedule are without prejudice to the generality of Part II of this Schedule.

SCHEDULE 7

Section 157(2).

CONSEQUENTIAL AMENDMENTS

*Taxes Management Act 1970 (c. 9)*

- 1 (1) The Taxes Management Act 1970 shall be amended as follows.
- (2) In section 12(2) for paragraph (a) substitute—
- “ (a) any assets exempted by the following provisions of the Capital Gains Tax Act 1979, namely—
- (i) section 19(4) (rights to winnings from pool betting, lotteries or games with prizes),
- (ii) section 71 (government non-marketable securities),
- (iii) section 130, 131 or 133 (passenger vehicles, decorations for valour or gallant conduct and foreign currency for personal expenditure) ”.
- (3) In section 28(1) for “section 41” (in both places) substitute “ section 15 ”, for “section 42” (in both places) substitute “ section 17 ”, and for “Finance Act 1965” substitute “ Capital Gains Tax Act 1979 ”.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

**Modifications etc. (not altering text)**

- C19** Part of the text of Sch. 7 paras. 1(2), 2(2)(3), 3, 4, 7 and Sch. 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

*Income and Corporation Taxes Act 1970 (c. 10)*

- 2 (1) The Taxes Act shall be amended as follows.
- [<sup>F61</sup>(2) In section 270(3) for the words from “disposal” to the end of the subsection substitute—  
 “disposal, and the asset consists of specified securities, the company acquiring the asset shall be treated for the purposes of sections 67 to 70 of the Capital Gains Tax Act 1979 as acquiring it at the time when the other acquired it.”]
- (3) At the end of section 270 (in place of the subsection (6) inserted by paragraph 12 of Schedule 10 to the Finance Act 1971) insert—  
 “(6) In this section “specified securities” means securities which are gilt-edged securities as defined by Schedule 2 to the Capital Gains Tax Act 1979.”
- (4) In section 279(1)(a) after “1965” insert “ but before 20th April 1977 ”.

**Textual Amendments**

- F61** Sch. 7 para. 2(2) repealed by Finance Act 1985 (c. 54), s. 98(6) and Sch. 27 Pt. VII with respect to disposals on or after 2 July 1986

**Modifications etc. (not altering text)**

- C20** Part of the text of Sch. 7 paras. 1(2), 2(2)(3), 3, 4, 7 and Sch. 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

*Finance Act 1974 (c. 30)*

- [<sup>F62</sup>3 For paragraph 18(6) of Schedule 3 to the Finance Act 1974 substitute—  
 “(6) The following provisions of the Capital Gains Tax Act 1979 shall, with any necessary modifications, apply for the purposes of this paragraph as they apply for the purposes of section 115 of that Act, namely—  
 (a) subsections (3) to (8) of the said section 115,  
 (b) section 119,  
 (c) section 121.”]



*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

### Textual Amendments

**F62** Sch. 7 paras. 3, 4, 6 repealed by Finance Act 1985 (c. 54), s. 98(6) and Sch. 27 Pt. X in relation to disposals of interests in land taking place on or after 19 March 1985 but without affecting the construction of Capital Gains Tax Act 1979 (c. 14), Sch. 5 para. 9

### Modifications etc. (not altering text)

**C21** Part of the text of Sch. 7 paras. 1(2), 2(2)(3), 3, 4, 7 and Sch. 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

[<sup>F63</sup>4 For paragraph 19 of Schedule 3 to the Finance Act 1974 substitute—

“19 (1) Paragraph 18 above shall have effect subject to the provisions of this paragraph, in which—

- (a) the “tax reduction” means the reduction in the income tax or corporation tax to which the person carrying on the trade is chargeable which is made under sub-paragraph (3) of the said paragraph 18 in connection with a disposal of an asset (called “asset No. 1”);
- (b) the “expenditure reduction” means the related amount by which under sub-paragraph (4) of that paragraph, and apart from the provisions of this paragraph, the expenditure allowable in respect of another asset (called “asset No. 2”) is reduced;
- (c) any reference to an expenditure reduction of any amount being carried forward to any asset is a reference to a reduction of that amount in expenditure allowable in respect of that asset.

(2) If asset No. 2 is a depreciating asset, the expenditure reduction shall not be carried forward, but—

- (a) when the claimant disposes of asset No. 2, or
- (b) when he ceases to use asset No. 2 for the purposes of a trade carried on by him, or
- (c) on the expiration of a period of ten years beginning with the acquisition of asset No. 2,

whichever event comes first. an amount equal to the tax reduction may be assessed to tax and recovered accordingly.

Any assessment to income tax or corporation tax under this paragraph shall be made under Case VI of Schedule D.

(3) If, in the circumstances specified in sub-paragraph (4) below, the claimant acquires an asset (called “asset No. 3”) which is not a depreciating asset, and so claims under paragraph 18 above—

- (a) the expenditure reduction shall be carried forward to asset No. 3, and
- (b) the claim which applies to asset No. 2 shall be treated as withdrawn (so that sub-paragraph (2) above does not apply).

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- (4) The circumstances are that asset No. 3 is acquired not later than the occurrence of whichever of the events mentioned in sub-paragraph (2) above comes first and, assuming—
  - (a) that the consideration for asset No. 1 was applied in acquiring asset No. 3, and
  - (b) that the time between the disposal of asset No. 1 and the acquisition of asset No. 3 was within the time limited by section 115(3) of the Capital Gains Tax Act 1979 as applied by paragraph 18(6) above,
 the whole amount of the expenditure reduction could be carried forward from asset No. 1 to asset No. 3; and the claim under sub-paragraph (3) above shall be accepted as if those assumptions were true.
- (5) For the purposes of this paragraph an asset is a depreciating asset at any time if—
  - (a) at that time it is a wasting asset as defined in section 37(1) of the Capital Gains Tax Act 1979, or
  - (b) within the period of ten years beginning at that time it will become a wasting asset (so defined).
- (6) This paragraph shall be construed as one with paragraph 18 above.”]

**Textual Amendments**

**F63** Sch. 7 paras. 3, 4, 6 repealed by Finance Act 1985 (c. 54), s. 98(6) and Sch. 27 Pt. X in relation to disposals of interests in land taking place on or after 19 March 1985 but without affecting the construction of Capital Gains Tax Act 1979 (c. 14), Sch. 5 para. 9

**Modifications etc. (not altering text)**

**C22** Part of the text of Sch. 7 paras. 1(2), 2(2)(3), 3, 4, 7 and Sch. 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

F64

.....

5

**Textual Amendments**

**F64** Sch. 7 para. 5 repealed by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 844 and Sch. 31

[<sup>F65</sup> Development Land Tax Act 1976 (c. 24)]

**Textual Amendments**

**F65** Sch. 7 paras. 3, 4, 6 repealed by Finance Act 1985 (c. 54), s. 98(6) and Sch. 27 Pt. X in relation to disposals of interests in land taking place on or after 19 March 1985 but without affecting the construction of Capital Gains Tax Act 1979 (c. 14), Sch. 5 para. 9

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

- 6 (1) Paragraph 5 of Schedule 6 to the Development Land Tax Act 1976 shall be amended as follows.
- (2) In sub-paragraph (1)(a)—
- (a) for “section 33 of the Finance Act 1965” substitute “ sections 115 to 121 of the Capital Gains Tax Act 1979 ”, and
  - (b) for “applies” substitute “ apply ”.
- (3) In sub-paragraph (2) for “section 33 of the Finance Act 1965” substitute “ sections 115 to 121 of the Capital Gains Tax Act 1979 ”.
- (4) In sub-paragraph (4)—
- (a) for “section 33 of the Finance Act 1965 has effect subject to the provisions of paragraph 16 of Schedule 19 to the Finance Act 1969” substitute “ sections 115 and 116 of the Capital Gains Tax Act 1979 have effect subject to the provisions of section 117 of that Act ”, and
  - (b) for “sub-paragraph (2) of that paragraph accrues in accordance with that sub-paragraph” substitute “ subsection (2) of the said section 117 accrues in accordance with that sub-section ”.
- (5) In sub-paragraph (4)(a) for “that sub-paragraph” substitute “ subsection (2) of the said section 117 ”.
- (6) In sub-paragraph (4)(b) for “sub-paragraph (3) of that paragraph” substitute “ subsection (3) of the said section 117 ”.
- (7) In sub-paragraph (6)—
- (a) for “section 33 of the Finance Act 1965” substitute “ sections 115 to 121 of the Capital Gains Tax Act 1979 ”, and
  - (b) for “paragraph 16 of Schedule 19 to the Finance Act 1969” substitute “ section 117 of that Act ”.

*Finance Act 1976 (c. 40)*

- 7 For section 54(5) of the Finance Act 1976 substitute—
- “(5) Subsection (6) of section 84 of the Capital Gains Tax Act 1979 (gilt-edged securities not issued until after the date when shares are compulsorily acquired) shall apply in relation to this section as it applies in relation to that section, and in this section—
- “gilt-edged securities” has the meaning given by Schedule 2 to that Act;
- “shares” includes securities within the meaning of section 82 of that Act.”

**Modifications etc. (not altering text)**

**C23** Part of the text of Sch. 7 paras. 1(2), 2(2)(3), 3, 4, 7 and Sch. 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

*Translation of references to Part III of Finance Act 1965*

- 8 In the enactments specified in the Table below substitute “the Capital Gains Tax Act 1979” (or “The Capital Gains Tax Act 1979” if at the beginning of a sentence)—
- (a) in the contexts in Part I of the Table, for “Part III of the Finance Act 1965”,
  - (b) in the contexts in Part II of the Table, for “Part III of the Finance Act 1965”, together with the words “(chargeable gains)” or “(capital gains)” or “(capital gains tax)” or “(tax on chargeable gains)” as the case may be.

**TABLE**

PART I

1 In the Taxes Management Act 1970 (c. 9)

2 In the Income and Corporation Taxes Act 1970 (c. 10)

**Textual Amendments**

**F66** Entry repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **s. 844** and Sch. 31

3 In the Finance Act 1970 (c. 24)

**Textual Amendments**

**F67** Entry repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **s. 844** and Sch. 31

*F68*

4

**Textual Amendments**

**F68** [Sch. 7 para. 8 Table Pt. I item 4](#) repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **s. 844** and Sch. 31

5 In the Finance Act 1973 (c. 51)

[<sup>F69</sup>6 In the Finance Act 1974 (c. 30)]

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

**Textual Amendments**

**F69** Sch. 7 para. 8 Table Pt. I item 6 repealed by Finance Act 1985 (c. 54), s. 98(6) and Sch. 27 Pt. X in relation to disposals of interests in land taking place on or after 19 March 1985 but without affecting the construction of Capital Gains Tax Act 1979 (c. 14), Sch. 5 para. 9

F70

7

**Textual Amendments**

**F70** Sch. 7 para. 8 Table Pt. I item 7 repealed by Inheritance Tax Act 1984 (c. 51), ss. 274, 277, Schs. 7, 9

F71

8

**Textual Amendments**

**F71** Sch. 7 para. 8 Table Pt. I item 8 repealed by Finance Act 1985 (c. 54), s. 98(6) and Sch. 27 Pt. X

9 In the Finance Act 1976 (c. 40)

**Textual Amendments**

**F72** Entry repealed by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 844 and Sch. 31

10 In the Finance Act 1977 (c. 36)

**Textual Amendments**

**F73** Entry repealed by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 844 and Sch. 31

**PART II**

REFERENCES TO PART III OF FINANCE ACT 1965 FOLLOWED BY DESCRIPTIVE WORDS

1 Section 74(2) of the Post Office Act 1969 (c. 48).

2 Section 27(1) of the Taxes Management Act 1970 (c. 9).

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

F74

3

**Textual Amendments**

**F74** Sch. 7 para. 8 Table Pt. II item 3 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844 and Sch. 31

4 In the Finance Act 1970 (c. 24)

5 Paragraph 15 of Schedule 9 to the Finance Act 1974 (c. 30).

F75

6

**Textual Amendments**

**F75** Sch. 7 para. 8 Table Pt. II item 6 repealed by [Finance Act 1985 \(c. 54\)](#), s. 98(6) and Sch. 27 Pt. X

*Translation of references to enactments repealed and re-enacted*

9 In the enactments specified in column 1 of the following Table for the words in column 2 substitute the words in column 3, adding, except as otherwise indicated, “of the Capital Gains Tax Act 1979” (but in all cases saying “to” instead of “of” if the substituted words refer to a Schedule rather than a section).

TABLE

<b>Enactment amended</b>	<b>Words to be replaced</b>	<b>Corresponding provision of this Act</b>
Taxes Management Act 1970 (c. 9)		
In the Taxes Management Act 1970		
section		
12(2)(b)	section 30(6).	section 128(6) (without adding more words).
25(9)	subsections (1) and (8) of section 45 of the Finance Act 1965.	sections 64, 93 and 155(1).
28(2)	section 45(1) of the Finance Act 1965.	section 51.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

	subsections (1) and (8) of that section.	sections 64, 93 and 155(1) of that Act (without adding more words).
Income and Corporation Taxes Act 1970 (c. 10)		
In the Income and Corporation Taxes Act 1970		
section		
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
267(1)	Part II of Schedule 6 to the Finance Act 1965.	Schedule 5.
267(3)	subsection (1) or subsection (2) of section 38 of the Finance Act 1965.	section 96 or 97.
267(3A)	Subsections (4) to (7) of section 40 of the Finance Act 1977.	Subsections (2) to (5) of section 88.
	subsection (3)(b).	subsection (1) (without adding more words).
269(1)(a)	paragraph 4 of Schedule 6 to the Finance Act 1965.	section 32.
269(1)	paragraph 4.	section 32 (without adding more words).
270(4)(a)	section 41 of the Finance Act 1969.	section 67.
270(5)(b)	section 41 of the Finance Act 1969.	section 67.
273(2)	Schedule 7 to the Finance Act 1965.	section 72.
	paragraph 3 of that Schedule.	that section (without adding more words).
274(1) and (2)	paragraph 1 of Schedule 7 to the Finance Act 1965.	section 122.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

275(1)	paragraph 6 of Schedule 6 to the Finance Act 1965.	section 34.
275(2)	Part II of Schedule 6 to the Finance Act 1965.	Schedule 5.
276(1)	section 33 of the Finance Act 1965.	sections 115 to 121.
276(2)	Paragraph 16(2) of Schedule 19 to the Finance Act 1969. paragraph 16(2).	Section 117(2). section 117(2) (without adding more words).
278(4)(b)	section 33 of the Finance Act 1965.	sections 115 to 121.
279(6)	paragraph 6 or paragraph 7 of Schedule 7 to the Finance Act 1965.	section 85 or section 86.
279(7)	paragraph 7 of the said Schedule 7.	section 86.
280(8)	section 23(4) of the Finance Act 1965.	section 22(2).
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
489(12)	paragraphs 2 and 5 of Schedule 6 to the Finance Act 1965.	sections 31 and 33.
Finance Act 1970 (c. 24)		
In the Finance Act 1970		



*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

Schedule 3 paragraph 8(1)	Part II of Schedule 6.	Schedule 5 (without adding more words).
...	...	...
F77	F77	F77
...	...	...
F77	F77	F77
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F78	F78	F78
...	...	...
F79	F79	F79
Finance (No. 2) Act 1975 (c. 45)		
In the Finance (No. 2) Act 1975		
section		
...	...	...
F76	F76	F76
58(8)	paragraph 4 of Schedule 6 to the Finance Act 1965.	section 32.
	sub-paragraph (1)(c) of that paragraph.	subsection (1)(c) of that section (without adding more words).
	sub-paragraph (1)(a) and (b) of that paragraph.	subsection (1)(a) and (b) of that section (without adding more words).
58(9)	sub-paragraph (1) of paragraph 6 of Schedule 10 to the Finance Act 1971.	section 66(1).
	sub-paragraph (2) of that paragraph.	subsection (2) of the said section 66 (without adding more words).
	under sub-paragraph (1).	under subsection (1) (without adding more words).
58(12)	paragraph 5 of Schedule 7 to the Finance Act 1965.	section 82.
	...	...
	F80	F80

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

...	...	...
F76	F76	F76
...	...	...
F81	F81	F81
Finance Act 1976 (c. 40)		
In the Finance Act 1976		
section		
54(3)(a)	section 53(3) above.	section 84(3).
54(3)(b)	section 33 of the Finance Act 1965.	sections 115 to 121.
	that section.	section 118 of that Act (without adding more words).
...	...	...
F76	F76	F76
...	...	...
F76	F76	F76
...	...	...
F79	F79	F79
Finance Act 1977 (c. 36)		
In the Finance Act 1977		
section		
41(1)	(see amendment in this Table of section 267(3A) of the Income and Corporation Taxes Act 1970).	
46(2)(a)	paragraph 4, 5, 6 or 7 of Schedule 7 to the Finance Act 1965.	sections 77 to 86.
46(2)(b)	section 53 of the Finance Act 1976.	section 84 of that Act (without adding more words).
46(6)	paragraph 5 of Schedule 7 to the said Act of 1965.	section 82.
	the words from “section 45(8)” to “Finance Act 1971”.	section 86(7), 93 or 139 of that Act (without adding more words).
46(7)	paragraph 6 or 7 of Schedule 7 to the said Act of 1965.	section 85 or 86.

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

	section 40(2) above.	section 87(1) of that Act (without adding more words).
...	...	...
F77	F77	F77
...	...	...
F82	F82	F82

### Textual Amendments

- F76** Entry repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **s. 844** and Sch. 31
- F77** Entries repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **s. 844** and Sch. 31
- F78** Entries repealed by [Finance Act 1985 \(c. 54\)](#), **s. 98(6)** and Sch. 27 Pt. X in relation to disposals of interests in land taking place on or after 19 March 1985 but without affecting the construction of [Capital Gains Tax Act 1979 \(c. 14\)](#), **Sch. 5 para. 9**
- F79** Entries repealed by [Inheritance Tax Act 1984 \(c. 51\)](#), ss. 274, 277, Schs. 7, 9
- F80** Entry repealed by [Finance Act 1985 \(c. 54\)](#), **s. 98(6)** and Sch. 27 Pt. VII with respect to disposals on or after 2 July 1986
- F81** Entries repealed by [Finance Act 1985 \(c. 54\)](#), **s. 98(6)** and Sch. 27 Pt. X
- F82** Entry repealed by [Inheritance Tax Act 1984 \(c. 51\)](#), ss. 274, 277, Schs. 7, 9

## SCHEDULE 8

Section 158.

### REPEALS

#### Modifications etc. (not altering text)

- C24** Part of the text of Sch. 7 paras. 1(2), 2(2)(3), 3, 4, 7 and Sch. 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

Chapter	Short title	Extent of repeal
1965 c. 25.	Finance Act 1965.	Part III, except section 45(12). Section 94. Schedules 6 to 9. Schedule 10, except paragraph 15.
1966 c. 18.	Finance Act 1966.	Section 43. Schedule 10.
1967 c. 54.	Finance Act 1967.	Section 32. Section 35.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

		Section 37.
		Section 45(3)(h).
		Schedule 13.
1968 c. 44.	Finance Act 1968.	Section 32.
		Section 34.
		Section 61(5).
		Schedules 11 and 12.
1969 c. 32.	Finance Act 1969.	Sections 41 and 42.
		Section 61(3)(e).
		Schedules 18 and 19.
1970 c. 9.	Taxes Management Act 1970.	Section 47(4).
		In section 57(3)(c) the words “or under any provision in the Finance Act 1965”.
1970 c. 10.	Income and Corporation Taxes Act 1970.	In Schedule 15—
		paragraphs 6 and 7;
		in Part I of the Table in paragraph 11 the entries amending the Finance Act 1965;
		in Part II of that Table the entries amending—
		the Finance Act 1965 (except section 93),
		the Finance Act 1967,
		the Finance Act 1968,
		Schedules 18 and 19 to the Finance Act 1969;
		paragraph 12(1).
1970 c. 24.	Finance Act 1970.	In section 28(1) the words from “section 41” to “1969 and of”.
1971 c. 68.	Finance Act 1971.	Section 55, except subsection (5).
		Section 56.
		Sections 58 to 60.
		In section 69(3) the words from “Part IV” to the end of the subsection.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

		In Schedule 3 paragraph 10. In Schedule 6 paragraph 91. In Schedule 8 paragraph 16(1). Schedule 9, except paragraph 4. Schedule 10. Schedule 12.
1972 c. 41.	Finance Act 1972.	Sections 112 to 119. In section 124(2) the words “or gains” before paragraph (a), and in paragraph (a) the words “or gains” (in three places) and the words “or section 40(1) of the Finance Act 1965.”. Section 134(3)(c). In Schedule 24 paragraphs 1 and 2.
1973 c. 51.	Finance Act 1973.	Section 37. Section 51. In section 54(1) the words “capital gains tax”. In Schedule 16 paragraph 15. Schedule 20. In Schedule 21 paragraph 4.
1974 c. 30.	Finance Act 1974.	Section 8(8). Sections 31 to 33. Section 48. In section 57(3)(b) the words from “and so far” to the end of the paragraph. In Schedule 8 paragraph 6.
1975 c. 7.	Finance Act 1975.	Section 53. In Schedule 12 paragraphs 12, 13 and 17.
1975 c. 45.	Finance (No. 2) Act 1975.	Section 44(4). Section 57. Sections 59 to 64.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

1976 c. 40.	Finance Act 1976.	In section 75(3)(c) the words from “and so far” to the end of the paragraph. In Schedule 8 paragraph 5. Sections 52 and 53. Sections 55 and 56. In Schedule 11 paragraphs 1 and 6.
1977 c. 36.	Finance Act 1977.	Section 40. Section 43. In section 59(3)(c) the words from “and, so far” to the end of the paragraph.
1978 c. 42.	Finance Act 1978.	Section 44. In section 45 subsections (1) to (4), and in subsection (6) the words from “and subsections (2)” to the end of the sub-section. Sections 46 to 52. In section 80(3)(c) the words from “and so far” to the end of the paragraph. Schedules 7 and 8. In Schedule 11 paragraph 2.

---

<b>Serial No.</b>	<b>Title</b>	<b>Extent of repeal</b>
S.I. 1970/173.	Capital Gains Tax (Exempt Gilt-edged Securities) Order 1970.	The whole order.
S.I. 1970/1741.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1970.	The whole order.
S.I. 1971/793.	Capital Gains Tax (Exempt Gilt-edged Securities) Order 1971.	The whole order.
S.I. 1971/1366.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1971.	The whole order.
S.I. 1971/1786.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 3) Order 1971.	The whole order.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

S.I. 1972/244.	Capital Gains Tax (Exempt Gilt-edged Securities) Order 1972.	The whole order.
S.I. 1972/1015.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1972.	The whole order.
S.I. 1973/241.	Capital Gains Tax (Exempt Gilt-edged Securities) Order 1973.	The whole order.
S.I. 1973/716.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1973.	The whole order.
S.I. 1973/1769.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 3) Order 1973.	The whole order.
S.I. 1974/693.	Capital Gains Tax (Exempt Gilt-edged Securities) Order 1974.	The whole order.
S.I. 1974/1071.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1974.	The whole order.
S.I. 1974/1907.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 3) Order 1974.	The whole order.
S.I. 1975/354.	Capital Gains Tax (Exempt Gilt-edged Securities) Order 1975.	The whole order.
S.I. 1975/1129.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1975.	The whole order.
S.I. 1975/1757.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 3) Order 1975.	The whole order.
S.I. 1976/698.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 1) Order 1976.	The whole order.
S.I. 1976/1859.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1976.	The whole order.
S.I. 1977/347.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 1) Order 1977.	The whole order.
S.I. 1977/919.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1977.	The whole order.

---

*Status: Point in time view as at 27/11/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992). (See end of Document for details)*

---

S.I. 1977/1136.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 3) Order 1977.	The whole order.
S.I. 1977/1614.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 4) Order 1977.	The whole order.
S.I. 1978/141.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 1) Order 1978.	The whole order.
S.I. 1978/1312.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 2) Order 1978.	The whole order.
S.I. 1978/1838.	Capital Gains Tax (Exempt Gilt-edged Securities) (No. 3) Order 1978.	The whole order.

---



**Status:**

Point in time view as at 27/11/1991.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992).