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*Status: Point in time view as at 19/07/2007.*

*Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Re-organisations of mutual businesses is up to date with all changes known to be in force on or before 29 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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# Taxation of Chargeable Gains Act 1992

## 1992 CHAPTER 12

### PART VI

COMPANIES, OIL, INSURANCE ETC.

### CHAPTER IV

MISCELLANEOUS CASES

*<sup>F1</sup>Re-organisations of mutual businesses*

#### Textual Amendments

**F1** S. 214C and cross-heading inserted (with effect in accordance with s. 121(4) of the amending Act) by Finance Act 1998 (c. 36), [Sch. 21 para. 7](#)

#### **214C Gains not eligible for taper relief.**

- (1) A gain shall not be eligible for taper relief if—
- (a) it is a gain accruing on a disposal in connection with any relevant re-organisation; or
  - (b) it is a gain accruing on anything which, in a case in which capital sums are received under or in connection with a relevant re-organisation, falls under section 22 to be treated as a disposal.
- (2) In this section “a relevant re-organisation” means—
- (a) any scheme of reconstruction <sup>F2</sup>... applying to a mutual company;
  - (b) the transfer of the whole of a building society’s business to a company in accordance with section 97 and the other applicable provisions of the Building Societies Act 1986; or

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- (c) the incorporation of a registered friendly society under the Friendly Societies Act 1992.

(3) In this section—

[<sup>F3</sup>“insurance company” means an undertaking carrying on the business of effecting or carrying out contracts of insurance and, for the purposes of this definition, “contract of insurance” has the meaning given by Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;]

“mutual company” means—

- (a) a mutual insurance company; or
- (b) a company of another description carrying on a business on a mutual basis;

“mutual insurance company” means an insurance company carrying on a business without having a share capital; and

“scheme of reconstruction <sup>F4</sup> ...” has the same meaning as in section 136.]

#### **Textual Amendments**

- F2** Words in s. 214C(2)(a) repealed (with effect in accordance with Sch. 9 paras. 7, 8, Sch. 40 Pt. 3(2) Note of the amending Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(2)**
- F3** Words in s. 214C(3) substituted (with effect in accordance with art. 68(2) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), arts. 1(2)(a), **68(1)**
- F4** Words in s. 214C(3) repealed (with effect in accordance with Sch. 9 paras. 7, 8, Sch. 40 Pt. 3(2) Note of the amending Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(2)**

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