

*Status: Point in time view as at 27/05/2011.*

**Changes to legislation:** Taxation of Chargeable Gains Act 1992, Cross Heading: Cases where there is a period between the beginning of the disposal and its effective completion is up to date with all changes known to be in force on or before 15 July 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)

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 4A

#### DISPOSAL OF INTEREST IN SETTLED PROPERTY: DEEMED DISPOSAL OF UNDERLYING ASSETS

##### Textual Amendments

- F1** Sch. 4A inserted (with application in accordance with s. 91(3) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), s. 91(2), [Sch. 24](#)

*Cases where there is a period between the beginning of the disposal and its effective completion*

- 13 (1) This paragraph applies in a case where there is a period between the beginning of the disposal of an interest in settled property and the effective completion of the disposal.
- (2) For the purposes of this Schedule—
- (a) the beginning of the disposal is—
    - (i) in the case of a disposal involving the exercise of an option, when the option is granted, and
    - (ii) in any other case of a disposal under a contract, when the contract is entered into; and
  - (b) the effective completion of the disposal means the point at which the person acquiring the interest becomes for practical purposes unconditionally entitled to the whole of the intended subject matter of the disposal.
- (3) Where this paragraph applies and the beginning of the disposal and its effective completion fall in different years of assessment—
- (a) the deemed disposal is treated as taking place in the year of assessment in which the disposal is effectively completed;
  - (b) the condition in paragraph 5 (condition as to residence of trustees) is treated as met if it is met in relation to either of those years of assessment or any intervening year;
  - (c) the condition in paragraph 6 (condition as to residence of settlor) is treated as met if it is met in relation to either or both of those years of assessment or any intervening year; and
  - (d) the relevant period for the purposes of paragraph 7 (condition as to settlor interest) is the period—
    - (i) beginning two years before the beginning of the first of those years of assessment, and
    - (ii) ending with the effective completion of the disposal.
- (4) If the identity or value of the underlying assets changes during the period between the beginning of the disposal and its effective completion, the following provisions apply—

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- (a) an asset is treated as comprised in the settled property and, where relevant, in any specific fund or other defined part of the settled property to which the deemed disposal relates if it is so comprised at any time in that period;
  - (b) the market value of any asset for the purposes of the deemed disposal is taken to be its highest market value at any time during that period.
- (5) The provisions in sub-paragraph (4) do not apply to an asset if during that period it is disposed of by the trustees under a bargain at arm's length and is not reacquired.]

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