

**Changes to legislation:** Taxation of Chargeable Gains Act 1992, Cross Heading: Change of a company's nature 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) View outstanding changes

## SCHEDULES

### [<sup>F1</sup> SCHEDULE 7A U.K.]

#### RESTRICTION ON SET-OFF OF PRE-ENTRY LOSSES

##### Textual Amendments

- F1** Sch. 7A inserted (27.7.1993 with effect as mentioned in s. 88(3) of the amending Act) by 1993 c. 34, c. 88(2), Sch. 8

#### *Change of a company's nature*

8 (1) If—

- (a) within any period of three years, a company becomes a member of a group of companies and there is (either earlier or later in that period, or at the same time) a major change in the nature or conduct of a trade [<sup>F2</sup>or business][<sup>F3</sup>which was carried on by that company immediately before it became a member of that group], or
- (b) at any time after the scale of the activities in a trade [<sup>F2</sup>or business] carried on by a company has become small or negligible, and before any considerable revival of the trade [<sup>F2</sup>or business], that company becomes a member of a group of companies,

the trade [<sup>F2</sup>or business] carried on before that change, or which has become small or negligible, shall be disregarded for the purposes of [<sup>F4</sup>paragraph 7(1A)] above in relation to any time before the company became a member of the group in question.

[<sup>F5</sup>(2) In sub-paragraph (1) “a major change in the nature or conduct of a trade or business” includes—

- (a) a major change in the type of property dealt in, or services or facilities provided, in the trade or business,
- (b) a major change in customers, markets or outlets of the trade or business, or
- (c) in the case of a company with investment business (within the meaning of [<sup>F6</sup>section 1218B] of CTA 2009), a major change in the nature of the investments held;

and this paragraph applies even if the change is the result of a gradual process which began outside the period of three years mentioned in sub-paragraph (1)(a).]

(3) Where the operation of this paragraph depends on circumstances or events at a time after the company becomes a member of any group of companies (but not more than three years after), an assessment to give effect to this paragraph shall not be out of time if made within six years from that time or the latest such time.]

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### **Textual Amendments**

- F2** Words in Sch. 7A para. 8(1) inserted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 11 para. 7(2)(a)**
- F3** Words in Sch. 7A para. 8(1) substituted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 11 para. 7(2)(b)**
- F4** Words in Sch. 7A para. 8(1) substituted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 11 para. 7(2)(c)**
- F5** Sch. 7A para. 8(2) substituted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 11 para. 7(3)**
- F6** Words in Sch. 7A para. 8(2)(c) substituted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), **s. 55(a)**

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

- C1** Sch. 7A para. 8(1) applied by 1988 c. 1, Sch. 28A para. 13 (as inserted (with effect in accordance with Sch. 26 para. 5 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 26 para. 3**)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

**Whole provisions yet to be inserted into this Act (including any effects on those provisions):**

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by [S.I. 2008/3068](#), art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by [S.I. 1989/469](#), reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by [S.I. 1989/469](#), reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)