

Status: Point in time view as at 01/09/2004.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: *The cost of the single asset 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

[^{F1}SCHEDULE 7AD

GAINS OF INSURANCE COMPANY FROM VENTURE CAPITAL INVESTMENT PARTNERSHIP

Textual Amendments

F1 Sch. 7AD inserted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), s. 85(2), [Sch. 31](#)

The cost of the single asset

- 4 (1) The company is treated as having given, wholly and exclusively for the acquisition of the single asset, consideration equal to the amount of capital contributed by it on becoming a member of the partnership.
- (2) Any further amounts of capital contributed by it to the partnership are treated on a disposal of the single asset as expenditure incurred wholly and exclusively on the asset for the purpose of enhancing its value and reflected in its state or nature at the time of the disposal.
- (3) Where the investments of the partnership include qualifying corporate bonds, the amount to be taken into account under sub-paragraph (1) or (2) is proportionately reduced.
- (4) The reduction is made by applying to that amount the fraction:
- $$\frac{A}{A+B}$$
- where—
- A is the book value of all shares and securities held by the partnership at the end of the period of account of the partnership in which the amount of capital in question is fully invested by the partnership, and
- B is the book value of all qualifying corporate bonds held by the partnership at the end of that period of account.
- (5) For the purposes of sub-paragraph (4) the “book value” means the value shown in the partnership’s accounts at the end of the period of account.]

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