



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART IV

SHARES, SECURITIES, OPTIONS ETC.

CHAPTER I

GENERAL

Gilt-edged securities and qualifying corporate bonds

[^{F1}116A Holding beginning or ceasing to fall within section 490 of CTA 2009

- (1) Section 116 applies in accordance with the following assumptions if—
 - (a) a holding that is a relevant holding for the purposes of section 490 of CTA 2009 (holdings in OEICs, unit trusts and offshore funds treated as creditor relationship rights) is held by a company both at the end of one accounting period and at the beginning of the next, and
 - (b) that section applies to the holding for one of those periods but not for the other.
- (2) The assumptions in subsections (3) and (4) apply for the purposes of this Act if the accounting period for which section 490 of CTA 2009 applies to the relevant holding is the first of those periods.
- (3) The relevant holding is assumed to have ceased to be a relevant holding for the second of those periods as a result of a transaction such as is mentioned in section 116(1) (“the reorganisation transaction”) occurring at the beginning of that period.
- (4) In relation to the reorganisation transaction within subsection (3), for the purposes of section 116—
 - (a) the relevant holding immediately before the beginning of the second of those periods is assumed to be the old asset, and

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 116A is up to date with all changes known to be in force on or before 13 June 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

- (b) the relevant holding immediately after the beginning of that period is assumed to be the new asset.
- (5) The assumptions in subsections (6) and (8) apply for the purposes of this Act if the accounting period for which section 490 of CTA 2009 applies to the relevant holding is the second of those periods.
- (6) The holding is assumed to have become a relevant holding for the second of those periods as a result of the occurrence at the end of first period of a transaction such as is mentioned in section 116(1).
- (7) But subsection (6) does not apply if the first of those periods is a period at the end of which a disposal of the relevant holding is treated as having occurred under section 212 (annual deemed disposal of holdings of unit trusts etc by insurance companies).
- (8) In relation to the reorganisation transaction within subsection (6), for the purposes of section 116—
- (a) the relevant holding immediately before the beginning of the second of those periods is assumed to be the old asset, and
 - (b) the relevant holding immediately after the beginning of that period is assumed to be the new asset.]

Textual Amendments

- F1** Ss. 116A, 116B inserted (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 367** (with Sch. 2 Pts. 1, 2)

Changes to legislation:

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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](#)