



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 8

PROFITS FROM DEEPLY DISCOUNTED SECURITIES

Disposals

437 Transactions which are disposals

- (1) References in this Chapter to the disposal of a deeply discounted security are—
- (a) to its redemption,
 - (b) to its transfer by sale, exchange, gift or otherwise, including a transfer treated as made by subsection (3), and
 - (c) so far as not covered by paragraph (a) or (b), to its conversion under its terms into shares in a company or other securities (including other deeply discounted securities).
- (2) The person treated as making a disposal is—
- (a) in the case of a disposal within subsection (1)(a), the person entitled as the security's holder to any payment on the disposal,
 - (b) in the case of a disposal within subsection (1)(b), the transferor, and
 - (c) in the case of a disposal within subsection (1)(c), the person who would be entitled as the security's holder to any payment on the disposal, if such a payment were made.

Status: Point in time view as at 06/04/2023.

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 437. (See end of Document for details)

- (3) A person who dies while entitled to a deeply discounted security is treated as transferring it immediately before death to the personal representatives.
- (4) In the case of strips, further provision about occasions counting as disposals is made by section 445(2) and (6)(a).
- [^{F1}(5) In the case of interest-bearing corporate securities, further provision about occasions counting as disposals is made by section 452F(2)(a).
- (6) In the case of corporate strips, further provision about occasions counting as disposals is made by section 452F(2)(a) and (3)(a).]

Textual Amendments

- F1** S. 437(5)(6) inserted (retrospectively) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), s. 39, [Sch. 7 para. 25\(3\)](#) **(10)**

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