
DRAFT STATUTORY INSTRUMENTS

2009 No.

The Enactment of Extra-Statutory Concessions Order 2009

The Taxation of Chargeable Gains Act 1992

Disposals where assets lost or destroyed, or become of negligible value

4.—(1) Section 24 of the Taxation of Chargeable Gains Act 1992 (disposals where assets lost or destroyed, or become of negligible value)⁽¹⁾ is amended as follows.

(2) After subsection (1) insert—

“(1A) A negligible value claim may be made by the owner of an asset (“P”) if condition A or B is met.

(1B) Condition A is that the asset has become of negligible value while owned by P.

(1C) Condition B is that—

- (a) the disposal by which P acquired the asset was a no gain/no loss disposal,
- (b) at the time of that disposal the asset was of negligible value, and
- (c) between the time when the asset became of negligible value and the disposal by which P acquired it, each other disposal (if any) of the asset was a no gain/no loss disposal.”.

(3) In subsection (2), for “Where the owner of an asset which has become of negligible value makes a claim to that effect:” substitute “Where a negligible value claim is made:”.

(4) In subsection (3)—

- (a) for “subsections (1) and (2) above” substitute “this section”;
- (b) for “where either of those subsections applies in accordance with this subsection,” substitute “where a building or structure is so regarded.”.

(5) After subsection (3) insert—

“(4) For the purposes of subsection (1C), a no gain/no loss disposal is one which, by virtue of any of the no gain/no loss provisions, neither a gain nor a loss accrues to the person making the disposal.”.

(6) The amendments made by this article have effect on and after 6th April 2009 (and it does not matter whether the conditions for making a negligible value claim were met before or after that date).

(1) 1992 c. 12; section 24(2) was substituted by paragraph 4 of Schedule 39 to the Finance Act 1996 (c. 8).