



Finance (No. 2) Act 1975

1975 CHAPTER 45

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

59 Losses on disposals of gilt-edged securities replaced within prescribed period

- (1) Where a person who holds gilt-edged securities (the " original holding") acquires securities of the same kind (an " additional holding ") and within the prescribed period after the acquisition disposes of securities of that kind, he shall be treated for the purposes of sub-paragraph (1) of paragraph 9 of Schedule 10 to the Finance Act 1971 (re-acquisition of gilt-edged securities after sale at a loss) as if he had within the prescribed period after the disposal re-acquired the securities disposed of or such quantity of them as does not exceed the original holding or the additional holding, whichever is the less.
- (2) Sub-paragraph (2)(a), (b) and (c) of the said paragraph 9 (identification of securities disposed of with securities re-acquired) shall have effect in relation to the acquisition of the additional holding as if it were a re-acquisition of the securities disposed of.
- (3) Sub-paragraph (3) of the said paragraph 9 (husband and wife) shall have effect as if the foregoing provisions of this section were included in that paragraph and the acquisition of the additional holding were an acquisition after the disposal.
- (4) In the case of companies in the same group the provisions of the said paragraph 9 and of subsections (1) and (2) above shall, with the necessary modifications, apply also where a loss on the disposal accrues to one of them and the acquisition is made by the other.

Status: This is the original version (as it was originally enacted).

- (5) In the said paragraph 9 and this section references to the acquisition of securities shall not include references to acquisition as trading stock or, in the case of a company which is a member of a group, from another company which is a member of that group throughout the prescribed period before and after the disposal.
- (6) In this section—
- " group " has the meaning given in section 272 of the Taxes Act;
 - " the prescribed period " means—
 - (a) in the case of an acquisition through a stock exchange, one month;
 - (b) in the case of an acquisition otherwise than as aforesaid, six months;
 - " trading stock ", in relation to a company carrying on life assurance business as defined in section 323 of the Taxes Act, does not include investments held in connection with that business except in so far as they are referable to general annuity business or pension business as defined in that section ;
- and references to a person's holding, acquiring and disposing of securities are references to his doing so in the same capacity.
- (7) This section applies to disposals after 15th April 1975.