



Capital Gains Tax Act 1979

1979 CHAPTER 14

PART IV

SHARES AND SECURITIES

CHAPTER I

GENERAL

Rules of identification

65 Pooling

- (1) This section has effect subject to—
 - (a) section 66 below, and
 - (b) paragraphs 3 and 13(2) of Schedule 5 to this Act,and this section shall not apply to gilt-edged securities.
- (2) Any number of securities of the same class held by one person in one capacity shall for the purposes of this Act be regarded as indistinguishable parts of a single asset (in this section referred to as a holding) growing or diminishing on the occasions on which additional securities of the class in question are acquired, or some of the securities of the class in question are disposed of.
- (3) Without prejudice to the generality of subsection (2) above, a disposal of securities in a holding, other than the disposal outright of the entire holding, is a disposal of part of an asset and the provisions of this Act relating to the computation of a gain accruing on a disposal of part of an asset shall apply accordingly.
- (4) Shares, or securities of a company, shall not be treated for the purposes of this section as being of the same class unless they are so treated by the practice of a recognised stock exchange in the United Kingdom or elsewhere or would be so treated if dealt with on such a stock exchange, but shall be treated in accordance with this section

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notwithstanding that they are identified in some other way by the disposal or by the transfer or delivery giving effect to it.

- (5) This section shall apply separately in relation to any securities held by a person to whom they were issued as an employee of the company or of any other person on terms which restrict his rights to dispose of them, so long as those terms are in force, and, while applying separately to any such securities, shall have effect as if the owner held them in a capacity other than that in which he holds any other securities of the same class.
- (6) Nothing in this section shall be taken as affecting the manner in which the market value of any asset is to be ascertained.
- (7) In this section “securities ” means—
 - (a) shares, or securities of a company, and
 - (b) subject to the exclusion of gilt-edged securities in subsection (1) above, any other assets where they are of a nature to be dealt in without identifying the particular assets disposed of or acquired.

66 Disposal on or before day of acquisition

- (1) The following provisions shall apply where securities of the same kind are acquired or disposed of by the same person on the same day and in the same capacity—
 - (a) all the securities so acquired shall be treated as acquired by a single transaction and all the securities so disposed of shall be treated as disposed of by a single transaction, and
 - (b) all the securities so acquired shall, so far as their quantity does not exceed that of the securities so disposed of, be identified with those securities.
- (2) Where the quantity of the securities so disposed of exceeds the quantity of the securities so acquired, then so far as the excess—
 - (a) is not required by paragraph 2(2), 3(3) or 13(3) of Schedule 5 to this Act to be identified with securities held on or acquired before 6th April 1965, and
 - (b) cannot be treated under section 65 above as diminishing a holding, it shall be treated as diminishing a quantity subsequently acquired, and a quantity so acquired at an earlier date, rather than one so acquired at a later date.
- (3) Shares shall not be treated for the purposes of this section as being of the same kind unless they are treated as being of the same class by the practice of a recognised stock exchange in the United Kingdom or elsewhere or would be so treated if dealt with on such a stock exchange.
- (4) In this section “securities ” includes shares and any assets dealt with without identifying the particular assets disposed of or acquired, and in the case of gilt-edged securities subsection (2) above has effect subject to section 68 below.