



# Finance Act 1982

## 1982 CHAPTER 39

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER III

#### CAPITAL GAINS

#### **88 Identification of securities etc. disposed of: general rules**

- (1) With respect to securities held on, or acquired on or after, 6th April 1982 or, in the case of a company, 1st April 1982 the provisions of this section (other than subsection (8)) and section 89 below have effect in place of sections 65 and 66 of the Capital Gains Tax Act 1979 (pooling and other rules for identification of securities); and, in taking account of those provisions.—
  - (a) this section, section 89 below and Part II of Schedule 13 shall have effect subject to section 58 of the Finance (No. 2) Act 1975 (disposal of shares and securities within prescribed period of acquisition); and
  - (b) the reference in section 68(4) of the Capital Gains Tax Act 1979 (general identification rules for gilt-edged securities) to section 66(1) of that Act shall be construed as including a reference to subsection (4) below.
- (2) Where a person disposes of securities, the securities disposed of shall be identified in accordance with the rules contained in this section with the securities of the same class acquired by him which could be comprised in that disposal, and shall be so identified notwithstanding that they are otherwise identified by the disposal or by a transfer or delivery giving effect to it (but so that where a person disposes of securities in one capacity, they shall not be identified with securities which he holds or can dispose of only in some other capacity).

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*Status: This is the original version (as it was originally enacted).*

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- (3) Securities disposed of on an earlier date shall be identified before securities disposed of on a later date, and the identification of the securities first disposed of shall accordingly determine the securities which could be comprised in the later disposal.
- (4) Securities disposed of for transfer or delivery on a particular date or in a particular period—
  - (a) shall not be identified with securities acquired for transfer or delivery on a later date or in a later period; and
  - (b) shall be identified with securities acquired for transfer or delivery on or before that date or in or before that period, but on or after the date of the disposal, rather than with securities not so acquired.
- (5) The securities disposed of shall be identified—
  - (a) with securities acquired within the twelve months preceding the disposal rather than with securities not so acquired, and with securities so acquired on an earlier date rather than with securities so acquired on a later date, and
  - (b) subject to paragraph (a) above, with securities acquired on a later date rather than with securities acquired on an earlier date ; and
  - (c) with securities acquired at different times on any one day in as nearly as may be equal proportions.
- (6) The rules contained in the preceding subsections shall have priority according to the order in which they are so contained.
- (7) Notwithstanding anything in subsections (3) to (5) above, where, under arrangements designed to postpone the transfer or delivery of securities disposed of, a person by a single bargain acquires securities for transfer or delivery on a particular date or in a particular period and disposes of them for transfer or delivery on a later date or in a later period, then—
  - (a) the securities disposed of by that bargain shall be identified with the securities thereby acquired ; and
  - (b) securities previously disposed of which, but for the operation of paragraph (a) above in relation to acquisitions for transfer or delivery on the earlier date or in the earlier period, would have been identified with the securities acquired by that bargain—
    - (i) shall, subject to subsection (3) above, be identified with any available securities acquired for such transfer or delivery (that is to say, any securities so acquired other than securities to which paragraph (a) above applies and other than securities with which securities disposed of for such transfer or delivery would be identified apart from this subsection) ; and
    - (ii) in so far as they cannot be so identified shall be treated as disposed of for transfer or delivery on the later date, or in the later period, mentioned above.
- (8) The provisions of Part II of Schedule 13 to this Act have effect with respect to securities acquired before 6th April 1982 or, in the case of a company, before 1st April 1982.
- (9) In this section and Schedule 13 to this Act "securities" means—
  - (a) shares or securities of a company; and

- (b) any other assets where they are of a nature to be dealt in without identifying the particular assets disposed of or acquired;
- and shares or securities of a company shall not be treated for the purposes of this section and that Schedule as being of the same class unless they are so treated by the practice of The Stock Exchange or would be so treated if dealt with on The Stock Exchange.