

## SCHEDULES

### SCHEDULE 19

#### INDEXATION

##### PART I

###### AMENDMENTS OF FINANCE ACT 1982

- 1 (1) In section 86, in subsection (1), paragraphs (b) and (c) and the word " and " at the end of paragraph (a) shall be omitted.
- (2) In subsection (2) of that section, for paragraph (a) there shall be substituted—
- “(a) " the unindexed gain or loss " means the amount of the gain or loss on the disposal computed in accordance with Chapter II of Part II of the Capital Gains Tax Act 1979 and, if there is neither a gain nor a loss on the disposal as so computed, the unindexed gain or loss shall be nil ;”.
- and in paragraph (by for the words " gross gain " there shall be substituted " unindexed gain or loss ".
- (3) In subsection (4) of that section for the words from " allowed " to " extinguish it" there shall be substituted " set against the unindexed gain or, as the case may be, added to the unindexed loss so as to give the gain or loss for the purposes of the Capital Gains Tax Act 1979 as follows,—
- (a) if there is an unindexed gain, the indexation allowance shall be deducted from the gain and, if the allowance exceeds the unindexed gain, the excess shall constitute a loss ;
- (b) if there is an unindexed loss, the indexation allowance shall be added to it so as to increase the loss ; and
- (c) if the unindexed gain or loss is nil, there shall be a loss equal to the indexation allowance ".
- (4) Subsection (5) of that section shall be omitted.
- 2 (1) In section 87, in subsection (2) in the definition of " RI" the words " which is the twelfth month after that" shall be omitted.
- (2) In subsection (3) of that section, for paragraph (a) there shall be substituted—
- “(a) the expenditure is attributable to the acquisition of relevant securities, within the meaning of section 88 below, which are disposed of within the period of ten days beginning on the day on which the expenditure was incurred, or”.
- 3 (1) In section 88, in each of subsections (1) to (5) and (7) and (8) for the word " securities " (or " Securities ") where it first occurs there shall be substituted " relevant securities " (or " Relevant securities").

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*Status: This is the original version (as it was originally enacted).*

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- (2) The following provisions of that section shall be omitted—
- (a) in subsection (1) the words "and section 89 below" and " section 89 below " ; and
  - (b) subsection (5A).
- (3) In subsection (9) of that section, for the words from " securities ", where that word first occurs, to the end of paragraph (b) there shall be substituted
- “" relevant securities " means—
- (a) securities, within the meaning of Chapter IV of Part II of the Finance Act 1985 ;
  - (b) deep discount securities, within the meaning of section 36 of the Finance Act 1984 ; and
  - (c) securities which are, or have at any time been, material interests in a non-qualifying offshore fund, within the meaning of Chapter VII of Part II of that Act”.
- 4           Section 89 (identification of securities: special rules) shall be omitted.
- 5           (1) In Schedule 13, in paragraph 1(a), for the words "gross gain " there shall be substituted " unindexed gain or loss".
- (2) In paragraph 2 of that Schedule, in sub-paragraph (1) the words "subsection (5)(b) of that section or" shall be omitted and in sub-paragraph (3)—
- (a) the words "and which falls within subsection (1)(b) of section 86 of this Act" shall be omitted ; and
  - (b) in paragraph (b) for the words " a gross gain " there shall be substituted the words " an unindexed gain".
- (3) Paragraph 3 of that Schedule shall be omitted.
- (4) In paragraph 4(1) of that Schedule, the words " occurring after the beginning of the qualifying period " shall be omitted.
- (5) In paragraph 6 of that Schedule—
- (a) in sub-paragraph (1)(b) for the words "qualifying period" there shall be substituted " period of twelve months beginning on the date of the issue of the shares, securities or debentures"; and
  - (b) in sub-paragraph (2)(a) for the words " qualifying period" there shall be substituted " period referred to in sub-paragraph (1)(b) above".
- (6) In paragraph 7 of that Schedule, sub-paragraph (2) shall be omitted.