

SCHEDULES

SCHEDULE 19

INDEXATION

PART II

PRE-APRIL 1982 SHARE POOLS

- 6 (1) Subject to sub-paragraphs (2) and (3) below, a holding of securities, as it exists immediately before the 1985 date, is for the purposes of this Part of this Schedule a 1982 holding if, by virtue of paragraph 8(2) of Schedule 13 to the Finance Act 1982, it is regarded for the purposes of the Capital Gains Tax Act 1979 as a single asset.
- (2) If the holding of securities referred to in sub-paragraph (1) above is " the reduced holding ", within the meaning of paragraph 9 of Schedule 13 to the Finance Act 1982, then, for the purposes of this Part of this Schedule, the 1982 holding is the aggregate of—
- (a) the reduced holding, (as it exists immediately before the 1985 date); and
 - (b) such of the separate assets (derived from the same holding as the reduced holding) which, by virtue of sub-paragraph (3)(6) of the said paragraph 9, constitute separate assets as have not been disposed of before that date.
- (3) If a person so elects, quoted securities, as defined in paragraph 8 of Schedule 5 to the Capital Gains Tax Act 1979 (assets held on 6th April 1965) which are covered by the election—
- (a) shall be treated as an accretion to an existing 1982 holding or, as the case may be, as constituting a new 1982 holding; and
 - (b) shall be excluded from paragraph 2 of that Schedule (restriction of gain or loss by reference to actual cost);
- and the relevant allowable expenditure (as defined in relation to a disposal to which section 86 of the Finance Act 1982 applies) which is attributable to that 1982 holding shall be adjusted or determined accordingly.
- (4) Paragraphs 4 to 8 of the said Schedule 5 (except paragraph 4(1)) shall apply in relation to an election under sub-paragraph (3) above as they apply in relation to an election under paragraph 4 of that Schedule, but with the substitution for any reference to 19th March 1968 of a reference to 31st March 1985 in the case of holdings or disposals by companies and 5th April 1985 in any other case.
- 7 (1) For the purposes of the Capital Gains Tax Act 1979, on and after the 1985 date, a 1982 holding shall continue to be regarded or, if it comes into being by virtue of paragraph 6 above, shall begin to be regarded as a single asset (but one which cannot grow by the acquisition of additional securities of the same class).

Status: This is the original version (as it was originally enacted).

- (2) In a case where the 1982 holding is determined by paragraph 6(2) above, for all purposes of capital gains tax the relevant allowable expenditure attributable to the securities comprised in the 1982 holding shall be taken to be the aggregate of—
- (a) the amount which, by virtue of sub-paragraph (2) of paragraph 10 of Schedule 13 to the Finance Act 1982, would for those purposes be regarded as the relevant allowable expenditure attributable to the reduced holding referred to in paragraph 6(2)(a) above on a disposal of the whole of it immediately before the 1985 date ; and
 - (b) the amount which, by virtue of that sub-paragraph, would for those purposes be regarded as the relevant allowable expenditure attributable to the separate assets referred to in paragraph 6(2)(b) above on a disposal of them immediately before that date.
- (3) For the purposes of section 87(5) of the Finance Act 1982 (indexation of allowable expenditure) the relevant allowable expenditure which by virtue of sub-paragraph (2) above is attributable to the securities comprised in a 1982 holding shall be deemed to be expenditure falling within section 32(1)(fa) of the Capital Gains Tax Act 1979.