

## SCHEDULES

### SCHEDULE 19

#### INDEXATION

#### PART IV

##### IDENTIFICATION OF SECURITIES ETC

- 16 (1) This Part of this Schedule applies where a person dispose\* of securities on or after the 1985 date, and in such a case the securities disposed of shall be identified in accordance with the provisions of this Part of this Schedule with securities of the same class acquired by him which could be comprised in that disposal.
- (2) The provisions of this Part of this Schedule apply notwithstanding that securities disposed of 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).
- (3) Notwithstanding anything in sub-paragraphs (1) and (2) above, the provisions of this Part of this Schedule do not apply to shares in respect of which relief under Part I of Schedule 5 to the Finance Act 1983 (relief for investment in corporate trades) has been given and not withdrawn.
- 17 (1) Part III of this Schedule shall have effect with respect to securities in place of section 65 of the Capital Gains Tax Act 1979 (pooling) but subject to—
- (a) section 66 of that Act (disposals on or before day of acquisition) ; and
  - (b) section 58 of the Finance (No. 2) Act 1975 (disposal of certain shares and securities within prescribed period of acquisition).
- (2) In relation to disposals of securities on or after the 1985 date, section 66 of the Capital Gains Tax Act 1979 shall have effect-
- (a) as if the reference in subsection (2)(a) to provisions of Schedule 5 to that Act included a reference to paragraph 19(3) below; and
  - (b) as if the reference in subsection (2)(b) to section 65 of that Act were a reference to Part III of this Schedule.
- 18 (1) Without prejudice to section 66 of the Capital Gains Tax Act 1979 if, within a period of ten days, a number of securities are acquired and subsequently a number of securities are disposed of and, apart from this paragraph,—
- (a) the securities acquired would increase the size of, or constitute a new holding, and
  - (b) the securities disposed of would decrease the size of, or extinguish, the same new holding,

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*Status: This is the original version (as it was originally enacted).*

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then, subject to sub-paragraphs (2) and (3) below, the securities disposed of shall be identified with the securities acquired and none of them shall be regarded as forming part of an existing new holding or constituting a new holding.

- (2) If, in a case falling within sub-paragraph (1) above, the number of securities acquired exceeds the number disposed of,—
- (a) the excess shall be regarded as forming part of an existing new holding or, as the case may be, as constituting a new holding; and
  - (b) if the securities acquired were acquired at different times (within the ten days referred to in sub-paragraph (1) above) the securities disposed of shall be identified with securities acquired at an earlier time rather than with securities acquired at a later time.
- (3) If, in a case falling within sub-paragraph (1) above, the number of securities disposed of exceeds the number acquired, the excess shall not be identified in accordance with that sub-paragraph.
- (4) Securities which, by virtue of this paragraph, do not form part of or constitute a new holding shall be treated for the purposes of section 87(3) of the Finance Act 1982 (cases where indexation allowance is nil) as relevant securities within the meaning of section 88 of that Act.
- 19 (1) The identification rules set out in sub-paragraphs (2) and (3) below have effect subject to section 66 of the Capital Gains Tax Act 1979 but, subject to that, have priority according to the order in which they are so set out.
- (2) Securities disposed of shall be identified with securities forming part of a new holding, within the meaning of Part III of this Schedule, rather than with other securities.
- (3) Securities disposed of shall be identified with securities forming part of a 1982 holding, within the meaning of Part II of this Schedule, rather than with other securities and, subject to that, shall be identified with securities acquired at a later time rather than with securities acquired at an earlier time.