

SCHEDULES

SCHEDULE 21

Section 71.

ASSETS DISPOSED OF IN A SERIES OF LINKED TRANSACTIONS

- 1 (1) This Schedule has effect for determining the original market value of assets and the aggregate market value of assets as mentioned in subsection (1)(b) of section 71 of this Act (in this Schedule referred to as " the principal section ").
- (2) Expressions used in this Schedule have the same meaning as in the principal section.
- 2 Where there is a series of linked transactions, the original market value of the assets disposed of by each transaction in the series shall be determined as follows—
 - (a) if at the time in question the transaction is the most recent in the series, the original market value of the assets disposed of by that transaction is the market value which, apart from the principal section, would be deemed to be the consideration for that transaction for the purposes of the principal Act; and
 - (b) in the case of any other transaction in the series, the original market value of the assets disposed of by that transaction is the value which, prior to the occurrence of the most recent transaction in the series, was or would have been deemed for the purposes of the principal Act to be the consideration for the transaction concerned (whether by virtue of that Act or the previous operation of the principal section).
- 3 (1) Subject to paragraph 4 below, in relation to any transaction in a series of linked transactions,—
 - (a) any reference in the principal section or this Schedule to the aggregate market value of the assets disposed of by all the transactions in the series is a reference to what would have been the market value of all those assets for the purposes of the principal Act if, considering all the assets together, they had been disposed of by one disposal occurring at the time of the transaction concerned; and
 - (b) any reference in the principal section to the appropriate portion of the aggregate market value of the assets disposed of by all the transactions in the series is a reference to that portion of the market value determined in accordance with paragraph (a) above which it is reasonable to apportion to those of the assets which were actually disposed of by the transaction concerned.
- (2) The reference in sub-paragraph (1)(a) above to considering all die assets together includes a reference not only to considering them as a group or holding or collection of assets retaining their separate identities but also (if it gives a higher market value) to considering them as brought together, physically or in law, so as to constitute either a single asset or a number of assets which are distinct from those which were comprised in each of the transactions concerned.

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

- 4 (1) If any of the assets disposed of by all the transactions in a series of linked transactions were acquired after the time of the first of those transactions, then, in the application of paragraph 3 above in relation to each of the transactions in the series,—
- (a) no account shall be taken of any assets which were acquired after the time of that transaction unless they were acquired by way of an inter-group transfer ;
and
 - (b) subject to sub-paragraph (2) below, the number of assets of which account is to be taken shall be limited to the maximum number which were held by the person making the disposal at any time in the period beginning immediately before the first of the transactions in the series and ending immediately before the last.
- (2) If, before the first of the transactions referred to in paragraph (b) of sub-paragraph (1) above, the person concerned (being a company) disposed of any assets by way of an inter-group transfer, the maximum number of assets referred to in that paragraph shall be determined as if the inter-group transfer had occurred after that first transaction.
- (3) In the application of sub-paragraph (1) above in a case where the assets disposed of are securities, the assets disposed of by any of the transactions in a series of linked transactions shall be identified with assets acquired on an earlier date rather than with assets acquired on a later date.
- (4) In sub-paragraph (3) above "securities" includes any assets which are of a nature to be dealt in without identifying the particular assets disposed of or acquired.