

SCHEDULES

SCHEDULE 2

TAXATION

Chargeable gains

- 2 (1) For the purposes of the Capital Gains Tax Act 1979, the transfer of any assets effected by section 3 above shall be deemed to be for a consideration such that no gain or loss accrues to the transferor.
- (2) Schedule 5 to the Act of 1979 shall have effect in relation to any asset so transferred as if the acquisition or provision of it by the transferor had been the acquisition or provision of it by the transferee.
- (3) In paragraph 3 of Schedule 13 to the Finance Act 1982 (indexation: subsequent disposals following no gain/no loss disposals), the following shall be added at the end of sub-paragraph (3)—
- “(e) paragraph 2 of Schedule 2 to the Trustee Savings Banks Act 1985.”.
- 3 (1) For the purposes of Chapter II of Part II of the Act of 1979 (computation of chargeable gains)—
- (a) the shares in the successor to Trustee Savings Bank of the Channel Islands acquired by the new holding company on or before the vesting day shall be taken to have been so acquired for a consideration equal to the value of the assets transferred to the successor by section 3 above (as shown by the statutory accounts for the final financial year of Trustee Savings Bank of the Channel Islands) less the amount of any liabilities so transferred (as so shown); and
- (b) the shares in the other successors to the existing banks acquired by the new holding company on or before the vesting day shall be deemed to have been acquired by the new holding company before 6th April 1945 and for no consideration or incidental cost.
- (2) For the purposes of paragraph 12 of Schedule 5 to the Act of 1979 (election for valuation at 6th April 1965) the market value of the shares mentioned in sub-paragraph (1)(b) above, shall be determined by applying the formula—

$$\mathbf{\pounds X = \pounds Y \times \frac{A}{B}}$$

Where—

X is the market value of those shares;

Y is the value of the assets of the transferor (as shown by the statutory accounts for its final financial year) less the aggregate of the amount of its liabilities (as so shown);

A is the period beginning with 6th April 1945 and ending with 5th April 1965; and

Status: This is the original version (as it was originally enacted).

B is the period beginning with 6th April 1945 and ending with the vesting day.

- 4 (1) Where the liability in respect of any debt owed to an existing bank, the existing holding company or the Central Board, is transferred by section 3 above, the transferee shall be treated as the original creditor for the purposes of section 134 of the Act of 1979 (debts).
- (2) On a 75 per cent, subsidiary (" the existing subsidiary ") of an existing bank becoming a 75 per cent subsidiary of the bank's successor, section 278 of the Taxes Act (company ceasing to be a member of a group) shall not have effect as respects any assets transferred (at any time) by the bank to the subsidiary ; but on the subsidiary ceasing to be a member of the group of companies (" the group") of which the successor and the new holding company are both members, section 278 of the Taxes Act shall apply as if the assets acquired by the subsidiary from the bank had been acquired by it from the bank's successor.
- (3) No provision made by this Act shall be treated, for the purposes of section 26 of the Act of 1979 (value-shifting), as a scheme or arrangement.
- (4) For the purposes of the Act of 1979, any allowable losses accruing in any accounting period to the Central Board or to an existing bank shall, so far as they have not been allowed as a deduction from chargeable gains, be treated as allowable losses which accrued in that accounting period to the new holding company or, as the case may be, successor.
- 5 For the purposes of the Act of 1979, gains arising on the disposal by the Central Board of any shares or rights to shares in the new holding company shall not be chargeable gains.