

*Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.*

**Changes to legislation:** *Income and Corporation Taxes Act 1988, Paragraph 3 is up to date with all changes known to be in force on or before 07 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 28

#### COMPUTATION OF OFFSHORE INCOME GAINS <sup>M1</sup>

##### Marginal Citations

**M1** Source—[1984 Sch.20.]

#### PART I

#### DISPOSALS OF INTERESTS IN NON-QUALIFYING FUNDS

##### *Calculation of unindexed gain*

- 3 (1) If the amount of any chargeable gain or allowable loss which (apart from section 763) would accrue on the material disposal would fall to be determined in a way which, in whole or in part, would take account of the indexation allowance on an earlier disposal to which paragraph 2 of Schedule 13 to the Finance Act 1982 (disposals on a no gain/no loss basis) applies, the unindexed gain on the material disposal shall be computed as if—
- (a) no indexation allowance had been available on any such earlier disposal; and
  - (b) subject to that, neither a gain nor a loss had accrued to the person making such an earlier disposal.
- (2) If the material disposal forms part of a transfer to which section 123 of the 1979 Act (roll-over relief on transfer of business) applies, the unindexed gain accruing on the disposal shall be computed without regard to any deduction which falls to be made under that section in computing a chargeable gain.
- (3) If the material disposal is made otherwise than under a bargain at arm's length and a claim for relief is made in respect of that disposal under section [126 or 147A of the Capital Gains Tax Act 1979 (relief for gifts), the claim <sup>F1</sup>] shall not affect the computation of the unindexed gain accruing on the disposal.
- (4) Where, in the case of an insurance company carrying on [life assurance business,—
- (a) a profit arising from general annuity business and attributable to a material disposal falls (or would but for the reference to offshore income gains in section 437(2) fall) to be taken into account in the computation under section 436, or
  - (b) a profit arising from overseas life assurance business and attributable to a material disposal falls to be taken into account in the computation under section 441,

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the unindexed gain <sup>F2</sup>] if any, accruing to the company on the disposal shall be computed as if section 31(1) of the 1979 Act (exclusion of certain sums in computing chargeable gain) did not apply.

- (5) Notwithstanding section 29 of the 1979 Act (losses determined in like manner as gains) if, apart from this sub-paragraph, the effect of any computation under the preceding provisions of this Part of this Schedule would be to produce a loss, the unindexed gain on the material disposal shall be treated as nil; and accordingly for the purposes of this Part of this Schedule no loss shall be treated as accruing on a material disposal.
- (6) Section 431 has effect in relation to sub-paragraph (4) above as if it were included in Chapter I of Part XII.

#### **Textual Amendments**

- F1** 1989 s.124(2) and (3) and Sch.14 para.6(6) in relation to disposals on or after 14 March 1989 (except where relief given under 1980 s.79 in respect of a disposal before that date). Previously “79 of the Finance Act 1980 (relief for gifts), that section”.
- F2** 1990 s.42 and Sch.7 para.7 for accounting periods beginning on or after 1 January 1990 (see para.10). Previously “life assurance business, a profit arising from general annuity business and attributable to a material disposal falls (or would but for the reference to offshore income gains in section 437(2) fall) to be taken into account in the computation under section 436, the unindexed gain.”.

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