



# Finance Act 1990

## 1990 CHAPTER 29

### PART II

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### GENERAL

##### *Employee share ownership trusts*

### **31 Conditions for roll-over relief.**

- (1) Relief is available under section 33(1) below where each of the seven conditions set out in subsections (2) to (8) below is fulfilled.
- (2) The first condition is that a person (the claimant) makes a disposal of shares, or his interest in shares, to the trustees of a trust which—
  - (a) is a qualifying employee share ownership trust at the time of the disposal, and
  - (b) was established by a company (the founding company) which immediately after the disposal was a trading company or the holding company of a trading group.
- (3) The second condition is that the shares—
  - (a) are shares in the founding company,
  - (b) form part of the ordinary share capital of the company,
  - (c) are fully paid up,
  - (d) are not redeemable, and
  - (e) are not subject to any restrictions other than restrictions which attach to all shares of the same class or a restriction authorised by paragraph 7(2) of Schedule 5 to the <sup>M1</sup>Finance Act 1989.

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- (4) The third condition is that, at any time in the entitlement period, the trustees—
- (a) are beneficially entitled to not less than 10 per cent. of the ordinary share capital of the founding company,
  - (b) are beneficially entitled to not less than 10 per cent. of any profits available for distribution to equity holders of the founding company, and
  - (c) would be beneficially entitled to not less than 10 per cent. of any assets of the founding company available for distribution to its equity holders on a winding-up.
- (5) The fourth condition is that the claimant obtains consideration for the disposal and, at any time in the acquisition period, all the amount or value of the consideration is applied by him in making an acquisition of assets or an interest in assets (replacement assets) which—
- (a) are, immediately after the time of the acquisition, chargeable assets in relation to the claimant, and
  - (b) are not shares in, or debentures issued by, the founding company or a company which is (at the time of the acquisition) in the same group as the founding company;
- but the preceding provisions of this subsection shall have effect without the words “, at any time in the acquisition period,” if the acquisition is made pursuant to an unconditional contract entered into in the acquisition period.
- (6) The fifth condition is that, at all times in the proscribed period, there are no unauthorised arrangements under which the claimant or a person connected with him may be entitled to acquire any of the shares, or an interest in or right deriving from any of the shares, which are the subject of the disposal by the claimant.
- (7) The sixth condition is that no chargeable event occurs in relation to the trustees in—
- (a) the chargeable period in which the claimant makes the disposal,
  - (b) the chargeable period in which the claimant makes the acquisition, or
  - (c) any chargeable period falling after that mentioned in paragraph (a) above and before that mentioned in paragraph (b) above;
- and “chargeable period” here means a year of assessment or (if the claimant is a company) an accounting period of the claimant for purposes of corporation tax.
- (8) The seventh condition is that the disposal is made on or after 20th March 1990.

**Marginal Citations**

**M1** 1989 c. 26.

**32 Conditions for relief: supplementary.**

- (1) This section applies for the purposes of section 31 above.
- (2) The entitlement period is the period beginning with the disposal, and ending on the expiry of twelve months beginning with the date of the disposal.
- (3) The acquisition period is the period beginning with the disposal, and ending on the expiry of six months beginning with—
  - (a) the date of the disposal, or

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- (b) if later, the date on which the third condition (set out in section 31(4) above) first becomes fulfilled.
- (4) The proscribed period is the period beginning with the disposal, and ending on—
  - (a) the date of the acquisition, or
  - (b) if later, the date on which the third condition (set out in section 31(4) above) first becomes fulfilled.
- (5) All arrangements are unauthorised unless—
  - (a) they arise wholly from a restriction authorised by paragraph 7(2) of Schedule 5 to the <sup>M2</sup>Finance Act 1989, or
  - (b) they only allow one or both of the following as regards shares, interests or rights, namely, acquisition by a beneficiary under the trust and appropriation under an approved profit sharing scheme.
- (6) An asset is a chargeable asset in relation to the claimant at a particular time if—
  - (a) at that time he is resident or ordinarily resident in the United Kingdom, and
  - (b) were the asset to be disposed of at that time, a gain accruing to him would be a chargeable gain.
- (7) An asset is also a chargeable asset in relation to the claimant at a particular time if, were it to be disposed of at that time, any gain accruing to him on the disposal would be a chargeable gain—
  - (a) in respect of which he would be chargeable to capital gains tax under section 12(1) of the <sup>M3</sup>Capital Gains Tax Act 1979 (non-resident with United Kingdom branch or agency), or
  - (b) which would form part of his chargeable profits for corporation tax purposes by virtue of section 11(2)(b) of the Taxes Act 1988 (non-resident companies).
- (8) But an asset is not a chargeable asset in relation to the claimant at a particular time if, were he to dispose of the asset at that time, he would fall to be regarded for the purposes of any double taxation relief arrangements as not liable in the United Kingdom to tax on any gains accruing to him on the disposal; and “double taxation relief arrangements” means arrangements having effect by virtue of section 788 of the Taxes Act 1988 (as extended to capital gains tax by section 10 of the <sup>M4</sup>Capital Gains Tax Act 1979).
- (9) The question whether a trust is at a particular time a qualifying employee share ownership trust shall be determined in accordance with Schedule 5 to the <sup>M5</sup>Finance Act 1989; and “chargeable event” in relation to trustees has the meaning given by section 69 of that Act.
- (10) The expressions “holding company”, “trading company” and “trading group” have the meanings given by paragraph 1 of Schedule 20 to the <sup>M6</sup>Finance Act 1985; and “group” (except in the expression “trading group”) shall be construed in accordance with section 272 of the Taxes Act 1970.
- (11) “Ordinary share capital” in relation to the founding company means all the issued share capital (by whatever name called) of the company, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the company.
- (12) Schedule 18 to the Taxes Act 1988 (group relief: equity holders and profits or assets available for distribution) shall apply for the purposes of section 31(4) above as if—

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- (a) the trustees were a company,
- (b) the references to section 413(7) to (9) of that Act were references to section 31(4) above,
- (c) the reference in paragraph 7(1)(a) to section 413(7) of that Act were a reference to section 31(4) above, and
- (d) paragraph 7(1)(b) were omitted.

#### Marginal Citations

- M2** 1989 c. 26.
- M3** 1979 c. 14.
- M4** 1979 c. 14.
- M5** 1989 c. 26.
- M6** 1985 c. 54.

### 33 The relief.

- (1) In a case where relief is available under this subsection the claimant shall, on making a claim in the period of two years beginning with the acquisition, be treated for the purposes of the 1979 Act—
  - (a) as if the consideration for the disposal were (if otherwise of a greater amount or value) of such amount as would secure that on the disposal neither a gain nor a loss accrues to him, and
  - (b) as if the amount or value of the consideration for the acquisition were reduced by the excess of the amount or value of the actual consideration for the disposal over the amount of the consideration which the claimant is treated as receiving under paragraph (a) above.
- (2) Relief is available under subsection (3) below where—
  - (a) relief would be available under subsection (1) above but for the fact that part only of the amount or value mentioned in section 31(5) above is applied as there mentioned, and
  - (b) all the amount or value so mentioned except for a part which is less than the amount of the gain (whether all chargeable gain or not) accruing on the disposal is so applied.
- (3) In a case where relief is available under this subsection the claimant shall, on making a claim in the period of two years beginning with the acquisition, be treated for the purposes of the 1979 Act—
  - (a) as if the amount of the gain accruing on the disposal were reduced to the amount of the part mentioned in subsection (2)(b) above, and
  - (b) as if the amount or value of the consideration for the acquisition were reduced by the amount by which the gain is reduced under paragraph (a) above.
- (4) Nothing in subsection (1) or (3) above shall affect the treatment for the purposes of the 1979 Act of the other party to the disposal or of the other party to the acquisition.
- (5) The provisions of the 1979 Act fixing the amount of the consideration deemed to be given for a disposal or acquisition shall be applied before the preceding provisions of this section are applied.
- (6) In this section “the 1979 Act” means the <sup>M7</sup>Capital Gains Tax Act 1979.

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#### **Marginal Citations**

M7 1979 c. 14.

### **34 Dwelling-houses: special provision.**

- (1) Subsection (2) below applies where—
  - (a) a claim is made under section 33 above,
  - (b) immediately after the time of the acquisition mentioned in section 31(5) above and apart from this section, any replacement asset was a chargeable asset in relation to the claimant,
  - (c) the asset is a dwelling-house or part of a dwelling-house or land, and
  - (d) there was a time in the period beginning with the acquisition and ending with the time when section 33(1) or (3) above falls to be applied such that, if the asset (or an interest in it) were disposed of at that time, it would be within section 101(1) of the Capital Gains Tax Act 1979 (relief on disposal of private residence) and the individual there mentioned would be the claimant or the claimant's spouse.
- (2) In such a case the asset shall be treated as if, immediately after the time of the acquisition mentioned in section 31(5) above, it was not a chargeable asset in relation to the claimant.
- (3) Subsection (4) below applies where—
  - (a) the provisions of section 33(1) or (3) above have been applied,
  - (b) any replacement asset which, immediately after the time of the acquisition mentioned in section 31(5) above and apart from this section, was a chargeable asset in relation to the claimant consists of a dwelling-house or part of a dwelling-house or land, and
  - (c) there is a time after section 33(1) or (3) above has been applied such that, if the asset (or an interest in it) were disposed of at that time, it would be within section 101(1) of the Capital Gains Tax Act 1979 and the individual there mentioned would be the claimant or the claimant's spouse.
- (4) In such a case—
  - (a) the asset shall be treated as if, immediately after the time of the acquisition mentioned in section 31(5) above, it was not a chargeable asset in relation to the claimant and adjustments shall be made accordingly, but
  - (b) any gain treated as accruing in consequence of the application of paragraph (a) above shall be treated as accruing at the time mentioned in subsection (3)(c) above or, if there is more than one such time, at the earliest of them.
- (5) Subsection (6) below applies where—
  - (a) a claim is made under section 33 above,
  - (b) immediately after the time of the acquisition mentioned in section 31(5) above and apart from this section, any replacement asset was a chargeable asset in relation to the claimant,
  - (c) the asset was an option to acquire (or to acquire an interest in) a dwelling-house or part of a dwelling-house or land,
  - (d) the option has been exercised, and

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- (e) there was a time in the period beginning with the exercise of the option and ending with the time when section 33(1) or (3) above falls to be applied such that, if the asset acquired on exercise of the option were disposed of at that time, it would be within section 101(1) of the <sup>M8</sup>Capital Gains Tax Act 1979 and the individual there mentioned would be the claimant or the claimant's spouse.
- (6) In such a case the option shall be treated as if, immediately after the time of the acquisition mentioned in section 31(5) above, it was not a chargeable asset in relation to the claimant.
- (7) Subsection (8) below applies where—
- (a) the provisions of section 33(1) or (3) above have been applied,
  - (b) any replacement asset which, immediately after the time of the acquisition mentioned in section 31(5) above and apart from this section, was a chargeable asset in relation to the claimant consisted of an option to acquire (or to acquire an interest in) a dwelling-house or part of a dwelling-house or land,
  - (c) the option has been exercised, and
  - (d) there is a time after section 33(1) or (3) above has been applied such that, if the asset acquired on exercise of the option were disposed of at that time, it would be within section 101(1) of the Capital Gains Tax Act 1979 and the individual there mentioned would be the claimant or the claimant's spouse.
- (8) In such a case—
- (a) the option shall be treated as if, immediately after the time of the acquisition mentioned in section 31(5) above, it was not a chargeable asset in relation to the claimant and adjustments shall be made accordingly, but
  - (b) any gain treated as accruing in consequence of the application of paragraph (a) above shall be treated as accruing at the time mentioned in subsection (7)(d) above or, if there is more than one such time, at the earliest of them.
- (9) References in this section to an individual include references to a person entitled to occupy under the terms of a settlement.

**Marginal Citations**

**M8** 1979 c. 14.

**35 Shares: special provision.**

- (1) Subsection (2) below applies where—
- (a) a claim is made under section 33 above,
  - (b) immediately after the time of the acquisition mentioned in section 31(5) above and apart from this section, any replacement asset was a chargeable asset in relation to the claimant,
  - (c) the asset consists of shares, and
  - (d) in the period beginning with the acquisition and ending when section 33(1) or (3) above falls to be applied relief is claimed under Chapter III of Part VII of the Taxes Act 1988 (business expansion scheme) in respect of the asset.

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- (2) In such a case the asset shall be treated as if, immediately after the time of the acquisition mentioned in section 31(5) above, it was not a chargeable asset in relation to the claimant.
- (3) Subsection (4) below applies where—
  - (a) the provisions of section 33(1) or (3) above have been applied,
  - (b) any replacement asset which, immediately after the time of the acquisition mentioned in section 31(5) above and apart from this section, was a chargeable asset in relation to the claimant consists of shares, and
  - (c) after section 33(1) or (3) above has been applied relief is claimed under Chapter III of Part VII of the Taxes Act 1988 in respect of the asset.
- (4) In such a case the asset shall be treated as if, immediately after the time of the acquisition mentioned in section 31(5) above, it was not a chargeable asset in relation to the claimant and adjustments shall be made accordingly.

### **36 Chargeable event when replacement assets owned.**

- (1) Subsection (3) below applies where—
  - (a) the provisions of section 33(1) or (3) above are applied,
  - (b) a chargeable event occurs in relation to the trustees on or after the date on which the disposal is made (and whether the event occurs before or after the provisions are applied or the passing of this Act),
  - (c) the claimant was neither an individual who died before the chargeable event occurs nor trustees of a settlement which ceased to exist before the chargeable event occurs, and
  - (d) the condition set out below is fulfilled.
- (2) The condition is that, at the time the chargeable event occurs, the claimant or a person then connected with him is beneficially entitled to all the replacement assets.
- (3) In a case where this subsection applies, the claimant or connected person (as the case may be) shall be deemed for all purposes of the <sup>M9</sup>Capital Gains Tax Act 1979—
  - (a) to have disposed of all the replacement assets immediately before the time when the chargeable event occurs, and
  - (b) immediately to have reacquired them,  
at the relevant value.
- (4) The relevant value is such value as secures on the deemed disposal a chargeable gain equal to—
  - (a) the amount by which the amount or value of the consideration mentioned in section 33(1)(b) above was treated as reduced by virtue of that provision (where it applied), or
  - (b) the amount by which the amount or value of the consideration mentioned in section 33(3)(b) above was treated as reduced by virtue of that provision (where it applied).
- (5) In a case where subsection (3) above would apply if “all” read “any of” in subsection (2) above, subsection (3) shall nevertheless apply, but as if—
  - (a) in subsection (3)(a) “all the replacement assets” read “the replacement assets concerned”, and
  - (b) the relevant value were reduced to whatever value is just and reasonable.

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- (6) Subsection (7) below applies where—
- (a) subsection (3) above applies (whether or not by virtue of subsection (5) above), and
  - (b) before the time when the chargeable event occurs anything has happened as regards any of the replacement assets such that it can be said that a charge has accrued in respect of any of the gain carried forward by virtue of section 33(1) or (3) above.
- (7) If in such a case it is just and reasonable for subsection (3) above to apply as follows, it shall apply as if—
- (a) the relevant value were reduced (or further reduced) to whatever value is just and reasonable, or
  - (b) the relevant value were such value as secures that on the deemed disposal neither a gain nor a loss accrues (if that is just and reasonable);
- but paragraph (a) above shall not apply so as to reduce the relevant value below that mentioned in paragraph (b) above.
- (8) For the purposes of subsection (6)(b) above the gain carried forward by virtue of section 33(1) or (3) above is the gain represented by the amount which by virtue of either of those provisions falls to be deducted from the expenditure allowable in computing a gain accruing on the disposal of replacement assets (that is, the amount found under subsection (4)(a) or (b) above, as the case may be).
- (9) In this section “chargeable event” in relation to trustees has the meaning given by section 69 of the <sup>M10</sup>Finance Act 1989.

#### Marginal Citations

- M9** 1979 c. 14.  
**M10** 1989 c. 26.

### 37 Chargeable event when replacement property owned.

- (1) Subsection (3) below applies where—
- (a) paragraphs (a) to (c) of section 36(1) above are fulfilled, and
  - (b) the condition set out below is fulfilled.
- (2) The condition is that—
- (a) before the time when the chargeable event occurs, all the gain carried forward by virtue of section 33(1) or (3) above was in turn carried forward from all the replacement assets to other property on a replacement of business assets, and
  - (b) at the time the chargeable event occurs, the claimant or a person then connected with him is beneficially entitled to all the property.
- (3) In a case where this subsection applies, the claimant or connected person (as the case may be) shall be deemed for all purposes of the 1979 Act—
- (a) to have disposed of all the property immediately before the time when the chargeable event occurs, and
  - (b) immediately to have reacquired it,  
 at the relevant value.



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- (4) The relevant value is such value as secures on the deemed disposal a chargeable gain equal to—
- (a) the amount by which the amount or value of the consideration mentioned in section 33(1)(b) above was treated as reduced by virtue of that provision (where it applied), or
  - (b) the amount by which the amount or value of the consideration mentioned in section 33(3)(b) above was treated as reduced by virtue of that provision (where it applied).
- (5) In a case where subsection (3) above would apply if “all the” in subsection (2) above (in one or more places) read “any of the”, subsection (3) shall nevertheless apply, but as if—
- (a) in subsection (3)(a) “all the property” read “the property concerned”, and
  - (b) the relevant value were reduced to whatever value is just and reasonable.
- (6) Subsection (7) below applies where—
- (a) subsection (3) above applies (whether or not by virtue of subsection (5) above), and
  - (b) before the time when the chargeable event occurs anything has happened as regards any of the replacement assets, or any other property, such that it can be said that a charge has accrued in respect of any of the gain carried forward by virtue of section 33(1) or (3) above.
- (7) If in such a case it is just and reasonable for subsection (3) above to apply as follows, it shall apply as if—
- (a) the relevant value were reduced (or further reduced) to whatever value is just and reasonable, or
  - (b) the relevant value were such value as secures that on the deemed disposal neither a gain nor a loss accrues (if that is just and reasonable);
- but paragraph (a) above shall not apply so as to reduce the relevant value below that mentioned in paragraph (b) above.
- (8) For the purposes of subsections (2) and (6)(b) above the gain carried forward by virtue of section 33(1) or (3) above is the gain represented by the amount which by virtue of either of those provisions falls to be deducted from the expenditure allowable in computing a gain accruing on the disposal of replacement assets (that is, the amount found under subsection (4)(a) or (b) above, as the case may be).
- (9) For the purposes of subsection (2) above a gain is carried forward from assets to other property on a replacement of business assets if, by one or more claims under sections 115 to 121 of the 1979 Act, the chargeable gain accruing on a disposal of the assets is reduced, and as a result an amount falls to be deducted from the expenditure allowable in computing a gain accruing on the disposal of the other property.
- (10) In this section “the 1979 Act” means the <sup>M11</sup>Capital Gains Tax Act 1979.

**Marginal Citations**

M11 1979 c. 14.

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### **38 Chargeable event when bonds owned.**

- (1) Subsection (3) below applies where—
  - (a) paragraphs (a) to (c) of section 36(1) above are fulfilled, and
  - (b) the condition set out below is fulfilled.
- (2) The condition is that—
  - (a) all the replacement assets were shares (new shares) in a company or companies,
  - (b) there has been a transaction to which paragraph 10(1) of Schedule 13 to the <sup>M12</sup>Finance Act 1984 applies and as regards which all the new shares constitute the old asset and qualifying corporate bonds constitute the new asset, and
  - (c) at the time the chargeable event occurs, the claimant or a person then connected with him is beneficially entitled to all the bonds.
- (3) In a case where this subsection applies, a chargeable gain shall be deemed to have accrued to the claimant or connected person (as the case may be); and the gain shall be deemed to have accrued immediately before the time when the chargeable event occurs and to be of an amount equal to the relevant amount.
- (4) The relevant amount is an amount equal to the lesser of—
  - (a) the first amount, and
  - (b) the second amount.
- (5) The first amount is—
  - (a) the amount of the chargeable gain that would be deemed to accrue under paragraph 10(1)(b) of Schedule 13 to the Finance Act 1984 if there were a disposal of all the bonds at the time the chargeable event occurs, or
  - (b) nil, if an allowable loss would be so deemed to accrue if there were such a disposal.
- (6) The second amount is an amount equal to—
  - (a) the amount by which the amount or value of the consideration mentioned in section 33(1)(b) above was treated as reduced by virtue of that provision (where it applied), or
  - (b) the amount by which the amount or value of the consideration mentioned in section 33(3)(b) above was treated as reduced by virtue of that provision (where it applied).
- (7) In a case where subsection (3) above would apply if “all the” in subsection (2) above (in one or more places) read “any of the”, subsection (3) shall nevertheless apply, but as if—
  - (a) in subsection (5) above “all the bonds” read “the bonds concerned”,
  - (b) the second amount were reduced to whatever amount is just and reasonable, and
  - (c) the relevant amount were reduced accordingly.
- (8) Subsection (9) below applies where—
  - (a) subsection (3) above applies (whether or not by virtue of subsection (7) above), and
  - (b) before the time when the chargeable event occurs anything has happened as regards any of the new shares, or any of the bonds, such that it can be said that

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a charge has accrued in respect of any of the gain carried forward by virtue of section 33(1) or (3) above.

- (9) If in such a case it is just and reasonable for subsection (3) above to apply as follows, it shall apply as if—
- (a) the second amount were reduced (or further reduced) to whatever amount is just and reasonable, and
  - (b) the relevant amount were reduced (or further reduced) accordingly (if the second amount is less than the first amount).
- (10) But nothing in subsection (9) above shall have the effect of reducing the second amount below nil.
- (11) For the purposes of subsection (8)(b) above the gain carried forward by virtue of section 33(1) or (3) above is the gain represented by the amount which by virtue of either of those provisions falls to be deducted from the expenditure allowable in computing a gain accruing on the disposal of replacement assets (that is, the amount found under subsection (6)(a) or (b) above, as the case may be).

#### **Marginal Citations**

**M12** 1984 c. 43.

### **39 Information.**

- (1) An inspector may by notice in writing require a return to be made by the trustees of an employee share ownership trust in a case where—
- (a) a disposal of shares, or an interest in shares, has at any time been made to them, and
  - (b) a claim is made under section 33(1) or (3) above.
- (2) Where he requires such a return to be made the inspector shall specify the information to be contained in it.
- (3) The information which may be specified is information the inspector needs for the purposes of sections 36 to 38 above, and may include information about—
- (a) expenditure incurred by the trustees;
  - (b) assets acquired by them;
  - (c) transfers of assets made by them.
- (4) The information which may be required under subsection (3)(a) above may include the purpose of the expenditure and the persons receiving any sums.
- (5) The information which may be required under subsection (3)(b) above may include the persons from whom the assets were acquired and the consideration furnished by the trustees.
- (6) The information which may be required under subsection (3)(c) above may include the persons to whom assets were transferred and the consideration furnished by them.
- (7) In a case where section 33(1) or (3) above has been applied, the inspector shall send to the trustees of the employee share ownership trust concerned a certificate stating—
- (a) that the provision concerned has been applied, and

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- (b) the effect of the provision on the consideration for the disposal or on the amount of the gain accruing on the disposal (as the case may be).
- (8) For the purposes of this section, the question whether a trust is an employee share ownership trust shall be determined in accordance with Schedule 5 to the <sup>M13</sup>Finance Act 1989.
- (9) In the Table in section 98 of the <sup>M14</sup>Taxes Management Act 1970 (penalties for failure to comply with notices etc.) at the end of the first column there shall be inserted— “Section 39 of the Finance Act 1990.”

#### Marginal Citations

**M13** 1989 c. 26.

**M14** 1970 c. 9.

#### 40 Other enactments.

- (1) Section 117 of the 1979 Act (roll-over relief: depreciating assets) shall be amended as mentioned in subsections (2) to (4) below.
- (2) In subsection (1) after “116 above” there shall be inserted “and section 33 of the Finance Act 1990”.
- (3) The following subsection shall be inserted after subsection (2)—
- “(2A) Where section 33 of the Finance Act 1990 has effect subject to the provisions of this section, subsection (2)(b) above shall have effect as if it read—
- (b) section 36(3) of the Finance Act 1990 applies as regards asset No.2 (whether or not by virtue of section 36(5)), or”
- (4) In subsection (3) for “and so claims” there shall be substituted “and claims”.
- (5) Where a charge can be said to accrue by virtue of section 36 or 37 above in respect of any of the gain carried forward by virtue of section 33(1) or (3) above, so much of the gain charged shall not be capable of being carried forward (from assets to other property or from property to other property) under sections 115 to 121 of the 1979 Act on a replacement of business assets.
- (6) For the purpose of construing subsection (5) above—
- (a) what of the gain has been charged shall be found in accordance with what is just and reasonable;
- (b) section 37(8) and (9) above shall apply.
- (7) In a case where—
- (a) section 38 above applies in the case of bonds,
- (b) subsequently a disposal of the bonds occurs as mentioned in paragraph 10(1) (b) of Schedule 13 to the <sup>M15</sup>Finance Act 1984, and
- (c) a chargeable gain is deemed to accrue under paragraph 10(1)(b),
- the chargeable gain shall be reduced by the relevant amount found under section 38 above or (if the amount exceeds the gain) shall be reduced to nil.

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**Status:** Point in time view as at 25/07/1991.

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1990, Cross Heading: Employee share ownership trusts. (See end of Document for details)

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- (8) The relevant amount shall be apportioned where the subsequent disposal is of some of the bonds mentioned in subsection (7)(a) above; and subsection (7) shall apply accordingly.
- (9) In this section “the 1979 Act” means the <sup>M16</sup>Capital Gains Tax Act 1979.

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**Marginal Citations**

**M15** 1984 c. 43.

**M16** 1979 c. 14.

**Status:**

Point in time view as at 25/07/1991.

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There are currently no known outstanding effects for the Finance Act 1990, Cross Heading:  
Employee share ownership trusts.