

*Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Gain accruing on chargeable event is up to date with all changes known to be in force on or before 15 June 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) View outstanding changes*

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 5B

#### ENTERPRISE INVESTMENT SCHEME: RE-INVESTMENT

##### Textual Amendments

- F1** Sch. 5B inserted (with effect in accordance with Sch. 13 para. 4(4) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 13 para. 4\(3\)](#)

##### *Gain accruing on chargeable event*

- 4 (1) On the occurrence of a chargeable event in relation to [<sup>F2</sup>any of the relevant shares] in relation to which there has not been a previous chargeable event—
- (a) a chargeable gain shall be treated as accruing at the time of the event; and
  - [<sup>F3</sup>(b) the amount of the gain shall be equal to so much of the deferred gain as is attributable to the shares in relation to which the chargeable event occurs.]
- [<sup>F4</sup>(2) Any question for the purposes of capital gains tax as to whether any shares to which a disposal (including a disposal within marriage [<sup>F5</sup>or civil partnership]) relates are shares to which deferral relief is attributable shall be determined in accordance with sub-paragraphs (3) and (4) below.
- (3) Where shares of any class in a company have been acquired by an individual on different days, any disposal by him of shares of that class shall be treated as relating to those acquired on an earlier day rather than to those acquired on a later day.
- (4) Where shares of any class in a company have been acquired by an individual on the same day, any of those shares disposed of by him shall be treated as disposed of in the following order, namely—
- (a) first any to which neither deferral relief nor relief under Chapter III of Part VII of the Taxes Act [<sup>F6</sup>or Part 5 of ITA 2007] is attributable;
  - (b) next any to which deferral relief, but not relief under that Chapter [<sup>F6</sup>or that Part], is attributable;
  - (c) next any to which relief under that Chapter [<sup>F6</sup>or that Part], but not deferral relief, is attributable; and
  - (d) finally any to which both deferral relief and relief under that Chapter [<sup>F6</sup>or that Part] are attributable.
- (4A) The following, namely—
- (a) any shares to which deferral relief, but not relief under Chapter III of Part VII of the Taxes Act [<sup>F7</sup>or Part 5 of ITA 2007], is attributable and which were disposed of to an individual by a disposal within marriage [<sup>F5</sup>or civil partnership], and

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- (b) any shares to which relief under that Chapter [<sup>F7</sup>or that Part] is attributable and which were transferred to an individual as mentioned in section 304 of [<sup>F8</sup>the Taxes Act or section 245 of ITA 2007], shall be treated for the purposes of sub-paragraphs (3) and (4) above as acquired by him on the day on which they were issued.
- (4B) Chapter I of Part IV of this Act has effect subject to sub-paragraphs (2) to (4A) above.
- (4C) Sections 104, 105 and 106A shall not apply to shares to which deferral relief, but not relief under Chapter III of Part VII of the Taxes Act [<sup>F9</sup>or Part 5 of ITA 2007], is attributable.]
- (5) Where at the time of a chargeable event [<sup>F10</sup>any of the relevant shares] are treated for the purposes of this Act as represented by assets which consist of or include assets other than those shares—
- [<sup>F11</sup>(a) so much of the deferred gain as is attributable to those shares shall be treated, in determining for the purposes of this paragraph the amount of the deferred gain to be treated as attributable to each of those assets, as apportioned in such manner as may be just and reasonable between those assets; and]
- (b) as between different assets treated as representing [<sup>F12</sup>the same shares], [<sup>F13</sup>sub-paragraphs (3) to (4A) above] shall apply with the necessary modifications in relation to those assets as they would apply in relation to the shares.
- [ In order to determine, for the purposes of this paragraph, the amount of the deferred
- <sup>F14</sup>(6) gain attributable to any shares, a proportionate part of the amount of the gain shall be attributed to each of the relevant shares held, immediately before the occurrence of the chargeable event in question, by the investor or a person who has acquired any of the relevant shares from the investor on a disposal within marriage [<sup>F5</sup>or civil partnership].
- (7) In this paragraph “the deferred gain” means—
- (a) the amount of the original gain against which expenditure has been set under this Schedule, less
- (b) the amount of any gain treated as accruing under this paragraph previously as a result of a disposal of any of the relevant shares.]]

#### Textual Amendments

- F2** Words in Sch. 5B para. 4(1) substituted (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 4\(e\)](#)
- F3** Sch. 5B para. 4(1)(b) substituted (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 2\(1\)](#)
- F4** Sch. 5B para. 4(2)-(4C) substituted for Sch. 5B para. 4(2)-(4) (with effect in accordance with Sch. 13 para. 31(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 13 para. 31\(1\)](#)
- F5** Words in Sch. 5B para. 4 inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), [127](#)
- F6** Words in Sch. 5B para. 4(4) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 345\(4\)\(a\)](#) (with [Sch. 2](#))
- F7** Words in Sch. 5B para. 4(4A) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 345\(4\)\(b\)](#) (with [Sch. 2](#))

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- F8** Words in Sch. 5B para. 4(4A)(b) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\)](#), [Sch. 1 para. 345\(4\)\(b\)](#) (with [Sch. 2](#))
- F9** Words in Sch. 5B para. 4(4C) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\)](#), [Sch. 1 para. 345\(4\)\(c\)](#) (with [Sch. 2](#))
- F10** Words in Sch. 5B para. 4(5) substituted (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 4\(e\)](#)
- F11** Sch. 5B para. 4(5)(a) substituted (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 2\(2\)](#)
- F12** Words in Sch. 5B para. 4(5)(b) substituted (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 4\(f\)](#)
- F13** Words in Sch. 5B para. 4(5)(b) substituted (with effect in accordance with Sch. 13 para. 31(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 13 para. 31\(2\)](#)
- F14** Sch. 5B para. 4(6)(7) inserted (with effect in accordance with s. 73(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 8 para. 2\(3\)](#)

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

**Whole provisions yet to be inserted into this Act (including any effects on those provisions):**

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by S.I. 2008/3068, art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by S.I. 1989/469, reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by S.I. 1989/469, reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)