

Status: Point in time view as at 03/01/1995.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Paragraph 11 is up to date with all changes known to be in force on or before 15 July 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 6

RETIREMENT RELIEF ETC.

PART II

THE OPERATION OF THE RELIEF

Gains qualifying for relief

- 11 (1) This paragraph applies where—
- (a) there is a material disposal of business assets or a trustees' disposal which (in either case) consists of a disposal which the individual or trustees is or are treated as making by virtue of section 122 in consideration of a capital distribution; and
 - (b) the capital distribution consists wholly of chargeable business assets of the company or partly of such assets and partly of money or money's worth.
- (2) Where the capital distribution consists wholly of chargeable business assets, no relief shall be given under this Schedule in respect of the gains accruing on the disposal.
- (3) Where the capital distribution consists only partly of chargeable business assets, the gains accruing on the disposal (aggregated as mentioned in paragraph 7(1)(a) or paragraph 8(1)(a) above) shall be reduced for the purposes of this Schedule by multiplying them by the fraction—

$$\frac{A}{B}$$

where—

A is the part of the capital distribution which does not consist of chargeable business assets; and

B is the entire capital distribution;

and it shall be to that reduced amount of aggregated gains that, in accordance with sub-paragraph (1)(b) of paragraph 7 or, as the case may be, paragraph 8 above, the appropriate proportion determined under sub-paragraph (2) of that paragraph shall be applied.

- (4) Any question whether or to what extent a capital distribution consists of chargeable business assets shall be determined by reference to the status of the assets immediately before the end of the qualifying period.

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