

Changes to legislation: Taxation of Chargeable Gains Act 1992, Paragraph 19 is up to date with all changes known to be in force on or before 23 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) View outstanding changes

SCHEDULES

[^{F1}SCHEDULE 7AC

EXEMPTIONS FOR DISPOSALS BY COMPANIES WITH SUBSTANTIAL SHAREHOLDING

Textual Amendments

- F1** Sch. 7AC inserted (with effect in accordance with s. 44(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 8 para. 1](#)

PART 3

REQUIREMENTS TO BE MET IN RELATION TO ^{F1}... COMPANY INVESTED IN

Textual Amendments

- F1** Words in [Sch. 7AC Pt. 3](#) heading omitted (with effect in accordance with s. 27(6) of the amending Act) by virtue of [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [s. 27\(2\)\(c\)](#)

Requirements relating to the company invested in

- 19 (1) The company invested in must—
- (a) have been a qualifying company throughout the period—
 - (i) beginning with the start of the latest twelve-month period by reference to which the requirement of paragraph 7 (the substantial shareholding requirement) is met, and
 - (ii) ending with the time of the disposal, and
 - (b) [^{F2}in a case where sub-paragraph 1A) applies,] be a qualifying company immediately after the time of the disposal.

[This sub-paragraph applies where—

- ^{F3}(1A) (a) the disposal is a disposal to a person connected with the investing company,
or
(b) the requirement in paragraph 7 is met by virtue of paragraph 15A.]

- (2) For this purpose a “qualifying company” means a trading company or the holding company of a trading group or a trading subgroup.

[If the conditions in paragraph 15A(2)(b) to (d) are met, sub-paragraph (2B) applies
^{F4}(2A) for the purpose of determining whether the requirement of sub-paragraph (1)(a) is satisfied.

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- (2B) The company invested in is to be treated as having been a trading company at any time during the final 12 month period when the asset was used as mentioned in paragraph 15A(2)(d) (if it was not a trading company at that time).
- (2C) “The final 12 month period” has the meaning given in paragraph 15A(4).]
- (3) If the disposal is by virtue of section 28(1) or (2) (asset disposed of under contract) treated as made at a time before the asset is conveyed or transferred, the requirements in sub-paragraph (1)(a) and (b) must also be complied with as they would have effect if the references there to the time of the disposal were to the time of the conveyance or transfer.
- [Section 1122 of CTA 2010 (meaning of “connected” persons) applies for the ^{F5}(4) purposes of sub-paragraph (1A)(a).]

Textual Amendments

- F2** Words in Sch. 7AC para. 19(1)(b) inserted (with effect in accordance with s. 27(6) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), s. 27(5)(a)
- F3** Sch. 7AC para. 19(1A) inserted (with effect in accordance with s. 27(6) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), s. 27(5)(b)
- F4** Sch. 7AC para. 19(2A)-(2C) inserted (with effect in accordance with Sch. 10 para. 9 of the amending Act) by Finance Act 2011 (c. 11), Sch. 10 para. 6(3)
- F5** Sch. 7AC para. 19(4) inserted (with effect in accordance with s. 27(6) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), s. 27(5)(c)

Modifications etc. (not altering text)

- C1** Sch. 7AC para. 19(1) modified (24.2.2022) by Finance Act 2022 (c. 3), Sch. 2 para. 17(5)(b)
- C2** Sch. 7AC para. 19(1) modified (24.2.2022) by Finance Act 2022 (c. 3), Sch. 2 para. 34(2)(c)

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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](#)