

*Status: Point in time view as at 01/10/2009.*

*Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Meaning of “substantial shareholdin”g is up to date with all changes known to be in force on or before 28 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

### [<sup>F1</sup>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 2

#### THE SUBSTANTIAL SHAREHOLDING REQUIREMENT

##### *Meaning of “substantial shareholdin”g*

- 8 (1) For the purposes of this Schedule a company holds a “substantial shareholding” in another company if it holds shares or interests in shares in that company by virtue of which—
- (a) it holds not less than 10% of the company’s ordinary share capital,
  - (b) it is beneficially entitled to not less than 10% of the profits available for distribution to equity holders of the company, and
  - (c) it would be beneficially entitled on a winding up to not less than 10% of the assets of the company available for distribution to equity holders.
- This is without prejudice to what is meant by “substantial” where the word appears in other contexts.
- (2) Schedule 18 to the Taxes Act 1988 (meaning of equity holder and determination of profits or assets available for distribution) applies for the purposes of sub-paragraph (1).
- (3) In that Schedule as it applies for those purposes—
- (a) for any reference to sections 403C and 413(7) of that Act, or either of those provisions, substitute a reference to sub-paragraph (1) above;
  - (b) omit the words in paragraph 1(4) from “but” to the end;
  - (c) omit paragraph 5(3) and paragraphs 5B to 5F; and
  - (d) omit paragraph 7(1)(b).]

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