

Status: Point in time view as at 08/07/2008.

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

SCHEDULES

[^{F1}SCHEDULE A1

APPLICATION OF TAPER RELIEF

Textual Amendments

- F1** Sch. A1 inserted (with effect in accordance with s. 121(4) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), s. 121(2), [Sch. 20](#)

[^{F2}Meaning of “trading company”

Textual Amendments

- F2** Sch. A1 para. 22A and cross-heading inserted (with effect in accordance with Sch. 10 para. 9(3) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 10 para. 9\(2\)](#)

- 22A (1) In this Schedule “trading company” means a company carrying on trading activities whose activities do not include to a substantial extent activities other than trading activities.
- (2) For the purposes of sub-paragraph (1) above “trading activities” means activities carried on by the company—
- (a) in the course of, or for the purposes of, a trade being carried on by it,
 - (b) for the purposes of a trade that it is preparing to carry on,
 - (c) with a view to its acquiring or starting to carry on a trade, or
 - (d) with a view to its acquiring a significant interest in the share capital of another company that—
 - (i) is a trading company or the holding company of a trading group, and
 - (ii) if the acquiring company is a member of a group of companies, is not a member of that group.
- (3) Activities do not qualify as trading activities under sub-paragraph (2)(c) or (d) above unless the acquisition is made, or (as the case may be) the company starts to carry on the trade, as soon as is reasonably practicable in the circumstances.
- (4) The reference in sub-paragraph (2)(d) above to the acquisition of a significant interest in the share capital of another company is to an acquisition of ordinary share capital in the other company—
- (a) such as would make that company a 51% subsidiary of the acquiring company, or
 - (b) such as would give the acquiring company a qualifying shareholding in a joint venture company without making the two companies members of the same group of companies.]]

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