



# Taxation of Chargeable Gains Act 1992

## 1992 CHAPTER 12

### PART IV

SHARES, SECURITIES, OPTIONS ETC.

### CHAPTER II

REORGANISATION OF SHARE CAPITAL, CONVERSION OF SECURITIES ETC.

#### *Conversion of securities*

#### **132 Equation of converted securities and new holding.**

- (1) Sections 127 to 131 shall apply with any necessary adaptations in relation to the conversion of securities as they apply in relation to a reorganisation (that is to say, a reorganisation or reduction of a company's share capital).
- (2) This section has effect subject to sections 133 and 134.
- (3) For the purposes of this section and section 133—
  - (a) “conversion of securities” includes [<sup>F1</sup>any of the following, whether effected by a transaction or occurring in consequence of the operation of the terms of any security or of any debenture which is not a security, that is to say]—
    - (i) a conversion of securities of a company into shares in the company, and
    - [<sup>F2</sup>(ia) a conversion of a security which is not a qualifying corporate bond into a security of the same company which is such a bond, and
    - (ib) a conversion of a qualifying corporate bond into a security which is a security of the same company but is not such a bond, and]
    - (ii) a conversion at the option of the holder of the securities converted as an alternative to the redemption of those securities for cash, and

*Status: Point in time view as at 19/03/1997. This version of this provision has been superseded.*

*Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 132 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)*

- (iii) any exchange of securities effected in pursuance of any enactment (including an enactment passed after this Act) which provides for the compulsory acquisition of any shares or securities and the issue of securities or other securities instead,
  - (b) “security” includes any loan stock or similar security whether of the Government of the United Kingdom or of any other government, or of any public or local authority in the United Kingdom or elsewhere, or of any company, and whether secured or unsecured.
- [<sup>F3</sup>(4) In subsection (3)(a)(ia) above the reference to the conversion of a security of a company into a qualifying corporate bond includes a reference to—
- (a) any such conversion of a debenture of that company that is deemed to be a security for the purposes of section 251 as produces a security of that company which is a qualifying corporate bond; and
  - (b) any such conversion of a security of that company, or of a debenture that is deemed to be a security for those purposes, as produces a debenture of that company which, when deemed to be a security for those purposes, is such a bond.
- (5) In subsection (3)(a)(ib) above the reference to the conversion of a qualifying corporate bond into a security of the same company which is not such a bond includes a reference to any conversion of a qualifying corporate bond which produces a debenture which—
- (a) is not a security; and
  - (b) when deemed to be a security for the purposes of section 251, is not such a bond.]

#### **Textual Amendments**

- F1** Words in s. 132(3)(a) inserted (with effect in accordance with s. 88(6) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 88\(2\)\(a\)](#)
- F2** S. 132(3)(ia)(ib) inserted (with effect in accordance with s. 88(6) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 88\(2\)\(b\)](#)
- F3** S. 132(4)(5) inserted (with effect in accordance with s. 88(6) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 88\(3\)](#)

#### **Modifications etc. (not altering text)**

- C1** S. 132 applied (retrospective to 31.12.1995) by [Finance Act 1996 \(c. 8\), s. 203\(10\)](#)

**Status:**

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**Changes to legislation:**

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