



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

133 Premiums on conversion of securities.

(1) This section applies where, on a conversion of securities, a person receives, or becomes entitled to receive, any sum of money (“the premium”) which is by way of consideration (in addition to his new holding) for the disposal of the converted securities.

(2) If ^{F1}... the premium is small, as compared with the value of the converted securities, _{F1}...—

(a) receipt of the premium shall not be treated for the purposes of this Act as a disposal of part of the converted securities, and

(b) the premium shall be deducted from any expenditure allowable under this Act as a deduction in computing a gain or loss on the disposal of the new holding by the person receiving or becoming entitled to receive the premium.

^{F2}(3)

(4) Where the allowable expenditure is less than the premium (or is nil)—

(a) [^{F3}subsection (2)] above shall not apply, and

(b) if the recipient so elects (and there is any allowable expenditure)—

(i) the amount of the premium shall be reduced by the amount of the allowable expenditure, and

Status: Point in time view as at 29/03/1999.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 133 is up to date with all changes known to be in force on or before 16 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)

(ii) none of that expenditure shall be allowable as a deduction in computing a gain accruing on the occasion of the conversion, or on any subsequent occasion.

(5) In subsection (4) above “allowable expenditure” means expenditure which immediately before the conversion was attributable to the converted securities under paragraphs (a) and (b) of section 38(1).

Textual Amendments

- F1** Words in s. 133(2) repealed (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 53\(1\), Sch. 41 Pt. V\(10\)](#)
- F2** S. 133(3) repealed (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 53\(2\), Sch. 41 Pt. V\(10\)](#)
- F3** Words in s. 133(4)(a) substituted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 53\(3\)](#)

Status:

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Changes to legislation:

Taxation of Chargeable Gains Act 1992, Section 133 is up to date with all changes known to be in force on or before 16 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.