



# 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.

*Company reconstructions and amalgamations*

#### **135 Exchange of securities for those in another company**

- (1) Subsection (3) below has effect where a company (“company A”) issues shares or debentures to a person in exchange for shares in or debentures of another company (“company B”) and—
  - (a) company A holds, or in consequence of the exchange will hold, more than one-quarter of the ordinary share capital (as defined in section 832(1) of the Taxes Act) of company B, or
  - (b) company A issues the shares or debentures in exchange for shares as the result of a general offer—
    - (i) which is made to members of company B or any class of them (with or without exceptions for persons connected with company A), and
    - (ii) which is made in the first instance on a condition such that if it were satisfied company A would have control of company B.
- (2) Subsection (3) below also has effect where under section 136 persons are to be treated as exchanging shares or debentures held by them in consequence of the arrangement there mentioned.
- (3) Subject to sections 137 and 138, sections 127 to 131 shall apply with any necessary adaptations as if the 2 companies mentioned in subsection (1) above or, as the case

may be, in section 136 were the same company and the exchange were a reorganisation of its share capital.