



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART V

TRANSFER OF BUSINESS ASSETS

[^{F1}CHAPTER IA

ROLL-OVER RELIEF ON RE-INVESTMENT

[^{F1}164A Relief on re-investment for individuals.

- (1) Subject to the following provisions of this Chapter, roll-over relief under this section shall be available where—
 - (a) a chargeable gain would (apart from this section) accrue to any individual (“the re-investor”) [^{F2}on any disposal by him of any asset (“the asset disposed of”); and]
 - (b) that individual acquires a qualifying investment at any time in the qualifying period.
- (2) ^{F3}..., where roll-over relief under this section is available, the re-investor shall, on making a claim as respects the qualifying investment, be treated—
 - (a) as if the consideration for the disposal of the [^{F4}asset disposed of] were reduced by whichever is the smallest of the following, that is to say—
 - (i) the amount of the chargeable gain which apart from this subsection would accrue on the disposal of the [^{F4}asset disposed of], so far as that amount has not already been held over by way of reductions under this subsection,
 - (ii) the actual amount or value of the consideration for the acquisition of the qualifying investment,
 - (iii) in the case of a qualifying investment acquired otherwise than by a transaction at arm’s length, the market value of that investment at the time of its acquisition, and

Status: Point in time view as at 29/04/1996. This version of this provision has been superseded.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 164A 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)

- (iv) the amount specified for the purposes of this subsection in the claim;
and
- (b) as if the amount or value of the consideration for the acquisition of the qualifying investment were reduced by the amount of the reduction made under paragraph (a) above,

but neither paragraph (a) nor paragraph (b) above shall affect the treatment for the purposes of this Act of the other party to the transaction involving the [^{F4}asset disposed of] or of the other party to the transaction involving the qualifying investment.

[Where the chargeable gain referred to in subsection (1)(a) above is one which (apart ^{F5}(2A) from this section) would be deemed to accrue by virtue of section 116(10)(b)—

- (a) any reduction falling to be made by virtue of subsection (2)(a) above shall be treated as one made in the consideration mentioned in section 116(10)(a), instead of in the consideration for the disposal of the asset disposed of; but
- (b) if the disposal on which that gain is deemed to accrue is a disposal of only part of the new asset, it shall be assumed, for the purpose only of making a reduction affecting the amount of that gain—
 - (i) that the disposal is a disposal of the whole of a new asset,
 - (ii) that the gain accruing on that disposal relates to an old asset consisting in the corresponding part of what was in fact the old asset, and
 - (iii) that the corresponding part of the consideration deemed to be given for what was in fact the old asset is taken to be the consideration by reference to which the amount of that gain is computed;

and in this subsection “new asset” and “old asset” have the same meanings as in section 116.

(2B) Where a chargeable gain accrues in accordance with subsection (12) of section 116, this Chapter shall have effect—

- (a) as if that gain were a gain accruing on the disposal of an asset; and
- (b) in relation to that deemed disposal, as if references in this Chapter to the consideration for the disposal were references to the sum of money falling, apart from this Chapter, to be used in computing the gain accruing under that subsection.]

^{F6}(3)

^{F6}(4)

^{F6}(5)

^{F6}(6)

^{F6}(7)

[^{F7}(8) For the purposes of this section, a person who acquires any eligible shares in a qualifying company shall be regarded as acquiring a qualifying investment unless, where the asset disposed of consisted of shares in or other securities of any company (“the initial holding”), the qualifying company—

- (a) is the company in which the initial holding subsisted, or
- (b) is a company that was, at the time of the disposal of the initial holding, or is, at the time of the acquisition of the qualifying investment, a member of the same group of companies as the company in which the initial holding subsisted.]

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- (9) For the purposes of this section the acquisition of a qualifying investment shall be taken to be in the qualifying period if, and only if, it takes place—
- (a) at any time in the period beginning 12 months before and ending 3 years after the disposal of the [^{F8}asset disposed of], or
 - (b) at such time before the beginning of that period or after it ends as the Board may by notice allow.
- (10) The provisions of this Act fixing the amount of the consideration deemed to be given for the acquisition or disposal of assets shall be applied before this section is applied; and, without prejudice to the generality of this subsection, section 42(5) shall apply in relation to an adjustment under this section of the consideration for the acquisition of any shares as it applies in relation to an adjustment under any enactment to secure that neither a gain nor a loss accrues on a disposal.

^{F9}(11)

[^{F10}(12) Without prejudice to section 52(4), where consideration is given for the acquisition of any assets some of which are shares to the acquisition of which a claim under this section relates and some of which are not, the consideration shall be apportioned in such manner as is just and reasonable.]

[Where an acquisition is made on or after 29th November 1994 section 164H shall ^{F11}(13) be ignored in deciding whether it is an acquisition of a qualifying investment for the purposes of this section.]

[This section is subject to sections 164FF and 164FG.]]
^{F12}(14)

Textual Amendments

- F1** Ss. 164A-164N (Pt. V, Ch. 1A) inserted (27.7.1993 with effect in relation to any disposal made on or after 16.3.1993 as mentioned in s. 87(2)) by [1993 c. 34, s. 87, Sch. 7 Pt. II para.3](#)
- F2** Words in s. 164A(1)(a) substituted (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 2\(a\)](#)
- F3** Words in s. 164A(2) repealed (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 2\(b\), Sch. 26 Pt. V\(7\)](#)
- F4** Words in s. 164A(2) substituted (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 2\(b\)](#)
- F5** S. 164A(2A)(2B) inserted (retrospectively) by [Finance Act 1996 \(c. 8\), s. 177](#)
- F6** Ss. 164A(3)-(7) repealed (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 2\(c\), Sch. 26 Pt. V\(7\)](#)
- F7** S. 164A(8) substituted (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 7](#)
- F8** Words in s. 164A(9) substituted (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 2\(d\)](#)
- F9** S. 164A(11) repealed (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 8, Sch. 26 Pt. V\(7\)](#)
- F10** S. 164A(12) substituted (with effect in accordance with s. 91(2) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 11 para. 2\(e\)](#)
- F11** S. 164A(13) inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 46\(2\)](#)
- F12** S. 164A(14) inserted (with effect in accordance with s. 47(6)(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 47\(2\)](#)

Status:

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