



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART V

TRANSFER OF BUSINESS ASSETS^[F1], ^[F1]BUSINESS ASSET DISPOSAL RELIEF] AND INVESTORS' RELIEF]

^[F1]CHAPTER 5

INVESTORS' RELIEF

Reorganisations

^[F1]169VN Reorganisations where no consideration given

- (1) This section applies where—
 - (a) there is a reorganisation within the meaning of section 126,
 - (b) immediately before the reorganisation, a qualifying person holds ordinary shares which, in relation to that reorganisation, are original shares within the meaning of section 126,
 - (c) on the reorganisation that person does not give or become liable to give any consideration for, or for any part of, a new holding, and
 - (d) at a time after the reorganisation, there is a disposal of all or part of a new holding.
- (2) In this section a “new holding” means—
 - (a) the holding that immediately after the reorganisation is (in relation to the original shares) the new holding within the meaning of section 126, or
 - (b) where the new holding within the meaning of section 126 consists of two or more actual holdings, any of those actual holdings.
- (3) Subsections (4) and (5) apply for the purposes of determining (for any purpose of this Chapter) the status of shares that immediately before the disposal mentioned

Changes to legislation: *Taxation of Chargeable Gains Act 1992, Section 169VN 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) View outstanding changes*

in subsection (1)(d) are in the new holding mentioned there (“the new holding concerned”).

- (4) Where a number of the original shares were—
- (a) subscribed for by the qualifying person,
 - (b) issued on a particular date (“the relevant issue date”), and
 - (c) held continuously by that person for a particular period ending immediately before the reorganisation (“the period concerned”),
- the following assumption is to be made.
- (5) That assumption is that an appropriate number of the new shares were—
- (a) subscribed for by the qualifying person,
 - (b) issued on the relevant issue date, and
 - (c) had by the time immediately after the reorganisation already been held continuously by that person for the period concerned.
- (6) In subsections (4) and (5)—
- “the appropriate number” has the meaning given by section 169VO;
- “the original shares” means the shares held by the qualifying person immediately before the reorganisation that were original shares in relation to the reorganisation;
- “the new shares” means the shares that immediately after the reorganisation were in the new holding concerned (including such, if any, of the original shares as remained after the reorganisation and were in that holding).
- (7) In this section a reference to the “status” of a share is to whether it is qualifying, potentially qualifying or excluded.
- (8) Section 169VE applies to determine, for the purposes of this Chapter, which shares are included in a holding immediately before a reorganisation as it applies for the purposes of determining which shares are included in a holding immediately before a particular disposal.
- (9) References in this section to consideration are to be read in accordance with section 128(2).]

Textual Amendments

F1 Pt. 5 Ch. 5 inserted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), [Sch. 14 para. 2](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by [S.I. 2008/3068](#), art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by [S.I. 1989/469](#), reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by [S.I. 1989/469](#), reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)