



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VII

OTHER PROPERTY, BUSINESSES, INVESTMENTS ETC.

Miscellaneous reliefs and exemptions

271 Other miscellaneous exemptions.

- (1) The following gains shall not be chargeable gains—
- (a) gains accruing on the disposal of stock—
 - [^{F1}(i) transferred, in pursuance of any Act of Parliament, to accounts in the books of the Bank of England in the name of the Treasury or the National Debt Commissioners;
 - (ia) transferred, in pursuance of any Act of Parliament, to the Treasury or the National Debt Commissioners and in respect of which the Treasury or those Commissioners are entered as holder in the registers kept by the Registrar of Government Stock; or]
 - (ii) belonging to the Crown, in whatever name it may stand in the books of the Bank of England [^{F2}or in the registers kept by the Registrar of Government Stock];
 - (b) any gain accruing to a person from his acquisition and disposal of assets held by him as part of [^{F3}the Fund mentioned in section 613(4) of the Taxes Act (House of Commons Members' Fund);]
 - [^{F4}(c) any gain accruing to a person from his acquisition and disposal of assets held by him as part of a fund—
 - (i) mentioned in section 614(2) of the Taxes Act,
 - (ii) to which section 615(3) of the Taxes Act applies, or
 - (iii) mentioned in section 648, 649, 650, 651 or 653 of ITEPA 2003;]
 - [^{F5}(d)
 - (e) any gain accruing on the disposal by the trustees of any settled property held on trusts in accordance with directions which are valid and effective under

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section 9 of the ^{M1}Superannuation and Trust Funds (Validation) Act 1927 (trust funds for the reduction of the National Debt);

[^{F6}(ea) any gain accruing on the disposal by the trustees of an asbestos compensation settlement of any property comprised in the settlement;]

(f) any gain accruing to a consular officer or employee, within the meaning of [^{F7}section 771 of ITTOIA 2005], of any foreign state to which that section applies on the disposal of assets which at the time of the disposal were situated outside the United Kingdom;

^{F8}(g)

^{F9}(h)

^{F10}(j)

^{F11}

[^{F12}(1ZA) In subsection (1)(ea) above “asbestos compensation settlement” means a settlement—

- (a) the sole or main purpose of which is making compensation payments to or in respect of individuals who have, or had before their death, an asbestos-related condition, and
- (b) which is made before 24 March 2010 in pursuance of an arrangement within subsection (1ZB) below.

(1ZB) An arrangement is within this subsection if it is—

- (a) a voluntary arrangement that has taken effect under Part 1 of the Insolvency Act 1986 or Part 2 of the Insolvency (Northern Ireland) Order 1989,
- (b) a compromise or arrangement that has taken effect under section 425 of the Companies Act 1985, Article 418 of the Companies (Northern Ireland) Order 1986 or Part 26 of the Companies Act 2006, or
- (c) an arrangement or compromise of a kind corresponding to any of those mentioned in paragraph (a) or (b) above that has taken effect under, or as a result of, the law of a country or territory outside the United Kingdom.]

[^{F13}(1A) A gain accruing to a person on a disposal of investments held for the purposes of a registered pension scheme [^{F14}or an overseas pension scheme] is not a chargeable gain.]

[^{F15}(1B) But subsection (1A) does not prevent such a gain from being treated as a chargeable gain for the purposes of sections 185F to 185I of the Finance Act 2004 (scheme chargeable payments: gains from taxable property).]

^{F16}(2)

(3) A local authority, a local authority association and a health service body shall be exempt from capital gains tax.

[^{F17}In this subsection—

“health service body” has the meaning given by [^{F18}section 986 of CTA 2010], and

“local authority association” has the meaning given by section 1000 of ITA 2007.]

(4) Any [^{F19}interest] to which [^{F20}section 702 of ITTOIA 2005 (certified SAYE savings arrangements)] applies shall be disregarded for all purposes of the enactments relating to capital gains tax.

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In any case where there is a transfer to which section 216 applies, this subsection shall have effect in relation to any [^{F19}interest] payable after the transfer under a [^{F21}savings arrangement] which immediately before the transfer was a [^{F22}certified SAYE savings arrangement] notwithstanding that it ceased to be such a [^{F23}arrangement] by reason of the transfer.

[^{F24}In this subsection “certified SAYE savings arrangement” has the meaning given by section 703 of ITTOIA 2005.]

- (5) A signatory to the Operating Agreement made pursuant to the Convention on the International Maritime Satellite Organisation which came into force on 16th July 1979, other than a signatory designated for the purposes of the Agreement by the United Kingdom in accordance with the Convention, shall be exempt from capital gains tax in respect of any payment received by that signatory from the Organisation in accordance with the Agreement.
- (6) The following shall, on a claim made in that behalf to the Board, be exempt from tax in respect of all chargeable gains—
 - (a) the Trustees of the British Museum and the Trustees of the [^{F25}Natural History Museum]; and
 - (b) an [^{F26}association (in the sense that word has in section 469(1)(a) of CTA 2010) which meets conditions A and B in that section (conditions for qualifying as a scientific research association)].
- (7) The Historic Buildings and Monuments Commission for England [^{F27}and], the Trustees of the National Heritage [^{F28}Memorial Fund]^{F29} ... ^{F30} ... ^{F31} ... shall be exempt from tax in respect of chargeable gains ^{F32} ...
- [^{F33}(7A) Chargeable gains are exempt from tax if they accrue to a bank, or issue department of a bank, to which this subsection applies for the time being.
- (7B) Her Majesty may by Order in Council direct that subsection (7A) applies to a bank or its issue department if it appears to Her Majesty that the bank—
 - (a) is not resident in the United Kingdom, and
 - (b) is entrusted by the government of a territory outside the United Kingdom with the custody of the territory's principal foreign exchange reserves.
- (7C) No recommendation may be made to Her Majesty in Council to make an order under subsection (7B) unless a draft of the order has been laid before and approved by a resolution of the House of Commons.]
- (8) There shall be exempt from tax any chargeable gains accruing to the issue department of the Reserve Bank of India constituted under an Act of the Indian legislature called the Reserve Bank of India Act 1934, or to the issue department of the State Bank of Pakistan constituted under certain orders made under section 9 of the ^{M2}Indian Independence Act 1947.
- ^{F34}(9)
- (10) In [^{F35}subsection (1A)] above [^{F36}—
 - “investments” includes futures contracts and options contracts;
 - “overseas pension scheme” has the same meaning as in Part 4 of the Finance Act 2004 (see section 150(7) of that Act).]

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(11) For the purposes of subsection (10) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.

[^{F37}(12) [^{F38}Subsections (1)(b) and (c) and (1A)] above do not apply to gains accruing to a person from the acquisition and disposal by him of assets held as a member of a property investment LLP.]

Textual Amendments

- F1 S. 271(1)(a)(i)(ia) substituted for s. 271(1)(a)(i) (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No.3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, **Sch. para. 3(2)(a)** (with art. 3)
- F2 Words in s. 271(1)(a)(ii) inserted (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No.3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, **Sch. para. 3(2)(b)** (with art. 3)
- F3 Words in s. 271(1)(b) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(2)**, 284(1) (with [Sch. 36](#))
- F4 S. 271(1)(c) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 6 para. 218** (with [Sch. 7](#))
- F5 S. 271(1)(d) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(3)(a)**, 284(1), **Sch. 42 Pt. 3** (with [Sch. 36](#))
- F6 S. 271(1)(ea) inserted (retrospective to 6.4.2006) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 14 para. 2(2)(4)**
- F7 Words in s. 271(1)(f) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 1 para. 445(2)** (with [Sch. 2](#))
- F8 S. 271(1)(g) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(3)(b)**, 284(1), **Sch. 42 Pt. 3** (with [Sch. 36](#))
- F9 S. 271(1)(h) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(3)(c)**, 284(1), **Sch. 42 Pt. 3** (with [Sch. 36](#))
- F10 S. 271(1)(j) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(3)(d)**, 284(1), **Sch. 42 Pt. 3** (with [Sch. 36](#))
- F11 Words in s. 271(1) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(3)**, 284(1), **Sch. 42 Pt. 3** (with [Sch. 36](#))
- F12 S. 271(1ZA)(1ZB) inserted (retrospective to 6.4.2006) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 14 para. 2(3)(4)**
- F13 S. 271(1A) inserted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(4)**, 284(1) (with [Sch. 36](#))
- F14 Words in s. 271(1A) inserted (with effect in accordance with [Sch. 25 para. 20](#) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 25 para. 14(a)**
- F15 S. 271(1B) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 158(2), **Sch. 21 para. 1**
- F16 S. 271(2) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 187(5)**, 284(1), **Sch. 42 Pt. 3** (with [Sch. 36](#))
- F17 Words in s. 271(3) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 340(2)** (with [Sch. 2](#))
- F18 Words in s. 271(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 261(2)** (with [Sch. 2](#))
- F19 Word in s. 271(4) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 1 para. 445(3)(a)** (with [Sch. 2](#))

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- F20** Words in s. 271(4) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 445\(3\)\(b\)](#) (with Sch. 2)
- F21** Words in s. 271(4) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 445\(3\)\(c\)](#) (with Sch. 2)
- F22** Words in s. 271(4) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 445\(3\)\(d\)](#) (with Sch. 2)
- F23** Word in s. 271(4) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 445\(3\)\(e\)](#) (with Sch. 2)
- F24** Words in s. 271(4) inserted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 445\(3\)\(f\)](#) (with Sch. 2)
- F25** Words in s. 271(6)(a) substituted (1.9.1992) by 1992 c. 44, s. 11(2), [Sch. 8 Pt. 1 para. 1\(1\)\(2\)\(9\)](#); S.I. 1992/1874, [art.2](#)
- F26** Words in s. 271(6)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 261\(3\)](#) (with Sch. 2)
- F27** Word in s. 271(7) inserted (1.4.2012) by [The Public Bodies \(Abolition of the National Endowment for Science, Technology and the Arts\) Order 2012 \(S.I. 2012/964\), arts. 1\(2\), 3\(1\), Sch.](#)
- F28** Words in s. 271(7) substituted (with effect in accordance with s. 46(5)(a) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 46\(3\)\(a\)](#) (with s. 46(7))
- F29** Words in s. 271(7) omitted (1.4.2012) by virtue of [The Public Bodies \(Abolition of the National Endowment for Science, Technology and the Arts\) Order 2012 \(S.I. 2012/964\), arts. 1\(2\), 3\(1\), Sch.](#)
- F30** Words in s. 271(7) repealed (with effect in accordance with s. 46(5)(a) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 46\(3\)\(b\)](#), Sch. 11 Pt. 2(12) (with s. 46(7))
- F31** Words in s. 271(7) repealed (with effect in accordance with s. 46(5)(a) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 46\(3\)\(c\)](#), Sch. 11 Pt. 2(12) (with s. 46(7))
- F32** Words in s. 271(7) repealed: (with effect in accordance with s. 46(5)(b) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 46\(3\)\(d\)](#), Sch. 11 Pt. 2(12) (with s. 46(7)); (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#) (with Sch. 36)
- F33** S. 271(7A)-(7C) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 340\(3\)](#) (with Sch. 2)
- F34** S. 271(9) repealed (with effect in accordance with Sch. 10 para. 7(1) of the amending Act) by [Finance Act 1997 \(c. 16\), Sch. 10 para. 5\(2\), Sch. 18 Pt. VI\(10\)](#); S.I. 1997/991, art. 2
- F35** Words in s. 271(10) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\), ss. 187\(6\)\(a\), 284\(1\)](#) (with Sch. 36)
- F36** Words in s. 271(10) substituted (with effect in accordance with Sch. 25 para. 20 of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 25 para. 14\(b\)](#)
- F37** S. 271(12) inserted (with effect in accordance with s. 76(1) of the amending Act) by [Finance Act 2001 \(c. 9\), s. 76\(2\), Sch. 25 para. 4](#) (with Sch. 3)
- F38** Words in s. 271(12) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\), ss. 187\(7\), 284\(1\)](#) (with Sch. 36)

Modifications etc. (not altering text)

- C1** S. 271 extended (12.1.2000) by [Greater London Authority Act 1999 \(c. 29\), s. 419\(1\)\(2\)\(b\), 425\(2\)](#); S.I. 1999/3434, art. 2
- C2** S. 271 modified by [Greater London Authority Act 1999 \(c. 29\), s. 34A\(3\)](#) (as inserted (15.1.2012) by [Localism Act 2011 \(c. 20\), s. 224\(2\)](#); S.I. 2012/57, [art. 4\(1\)\(cc\)](#))

Marginal Citations

- M1** 1927 c. 41.

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M2 1947 c. 30.

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