



# Taxation of Chargeable Gains Act 1992

## 1992 CHAPTER 12

### PART II

#### GENERAL PROVISIONS RELATING TO COMPUTATION OF GAINS AND ACQUISITIONS AND DISPOSALS OF ASSETS

#### CHAPTER II

##### ASSETS AND DISPOSALS OF ASSETS

##### *Value shifting*

### 30 Tax-free benefits.

- (1) This section has effect as respects the disposal of an asset if a scheme has been effected or arrangements have been made (whether before or after the disposal) whereby—
  - (a) the value of the asset or a relevant asset has been materially reduced, and
  - (b) a tax-free benefit has been or will be conferred—
    - (i) on the person making the disposal or a person with whom he is connected, or
    - (ii) subject to subsection (4) below, on any other person.
- (2) For the purposes of this section, where the asset disposed of by a company (“the disposing company”) consists of shares in, or securities of, another company, another asset is a relevant asset if, at the time of the disposal, it is owned by a company associated with the disposing company; but no account shall be taken of any reduction in the value of a relevant asset except in a case where—
  - (a) during the period beginning with the reduction in value and ending immediately before the disposal by the disposing company, there is no disposal of the asset to any person, other than a disposal falling within section 171(1),

*Status: Point in time view as at 06/11/2000. This version of this provision has been superseded.*

*Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 30 is up to date with all changes known to be in force on or before 04 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)*

- (b) no disposal of the asset is treated as having occurred during that period by virtue of section <sup>F1</sup>... 179, and
- (c) if the reduction had not taken place but any consideration given for the relevant asset and any other material circumstances (including any consideration given before the disposal for the asset disposed of) were unchanged, the value of the asset disposed of would, at the time of the disposal, have been materially greater;
- and in this subsection “securities” has the same meaning as in section 132.
- (3) For the purposes of subsection (1)(b) above a benefit is conferred on a person if he becomes entitled to any money or money’s worth or the value of any asset in which he has an interest is increased or he is wholly or partly relieved from any liability to which he is subject; and a benefit is tax-free unless it is required, on the occasion on which it is conferred on the person in question, to be brought into account in computing his income, profits or gains for the purposes of income tax, capital gains tax or corporation tax.
- (4) This section shall not apply by virtue of subsection (1)(b)(ii) above [<sup>F2</sup>in a case where] avoidance of tax was not the main purpose or one of the main purposes of the scheme or arrangements in question.
- (5) Where this section has effect in relation to any disposal, any allowable loss or chargeable gain accruing on the disposal shall be calculated as if the consideration for the disposal were increased by such amount as [<sup>F3</sup>is] just and reasonable having regard to the scheme or arrangements and the tax-free benefit in question.
- (6) Where—
- (a) by virtue of subsection (5) above the consideration for the disposal of an asset has been treated as increased, and
- (b) the benefit taken into account under subsection (1)(b) above was an increase in the value of another asset,
- any allowable loss or chargeable gain accruing on the first disposal of the other asset after the increase in its value shall be calculated as if the consideration for that disposal were reduced by such amount as [<sup>F4</sup>is] just and reasonable having regard to the scheme or arrangements in question and the increase made in relation to the disposal mentioned in paragraph (a) above.
- (7) References in this section to a disposal do not include references to any disposal falling within section 58(1), 62(4) or 171(1).
- (8) References in this section, in relation to any disposal, to a reduction in the value of an asset, where the asset consists of shares owned by a company in another company, shall be interpreted in accordance with sections 31 to 33 and, in those sections, the disposal, the asset and those companies are referred to respectively as “the section 30 disposal”, “the principal asset”, “the first company” and “the second company”.
- (9) In relation to a case in which the disposal of an asset precedes its acquisition the references in subsections (1)(a) and (2) above to a reduction shall be read as including a reference to an increase.

#### Textual Amendments

**F1** Words in s. 30(2)(b) repealed (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), [Sch. 40 Pt. II\(12\)](#)

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- F2** Words in s. 30(4) substituted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 46](#)
- F3** Word in s. 30(5) substituted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 47\(a\)](#)
- F4** Word in s. 30(6) substituted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 47\(a\)](#)

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**Modifications etc. (not altering text)**

- C1** S. 30 excluded (retrospective to 5.11.2993) by [Finance Act 1994 \(c. 9\), s. 252\(2\), Sch. 24 para. 4\(1\)](#)
- C2** S. 30 excluded (19.9.1994) by [Coal industry Act 1994 \(c. 21\), s. 68\(4\), Sch. 4 para. 4](#) (with [Sch. 4 para. 14](#)); [S.I. 1994/2189](#), art. 2, Sch.
- C3** S. 30 modified (24.7.1996) by [Broadcasting Act 1996 \(c. 55\), s. 149\(1\), Sch. 7 para. 9\(1\)](#)
- C4** S. 30 applied (with modifications) (with effect in accordance with s. 63(4) of the amending Act) by [Finance Act 2000 \(c. 17\), Sch. 15 para. 71\(3\)](#)
- C5** S. 30 excluded (6.11.2000) by [Postal Services Act 2000 \(c. 26\), s. 130\(1\), Sch. 4 para. 6](#); [S.I. 2000/2957](#), art. 2(1), Sch. 1
- C6** S. 30(5) excluded (retrospective to 11.1.1994) by [Finance Act 1994 \(c. 9\), s. 252\(3\), Sch. 24 para. 4\(2\)\(3\)](#)
- C7** S. 30(5) excluded (24.7.1996) by [Broadcasting Act 1996 \(c. 55\), s. 149\(1\), Sch. 7 para. 9\(3\)](#)

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