



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

34 Transactions treated as a reorganisation of share capital.

(1) Where—

- (a) but for [^{F1}section 135 or 136], section 30 would have effect as respects the disposal by a company (“the disposing company”) of an asset consisting of shares in or debentures of another company (“the original holding”) in exchange for shares in or debentures of a further company which, immediately after the disposal, is not a member of the same group as the disposing company, and
- (b) if section 30 had effect as respects that disposal, any allowable loss or chargeable gain accruing on the disposal would be calculated as if the consideration for the disposal were increased by an amount,

the disposing company shall be treated for the purposes of section 128(3) as receiving, on the reorganisation of share capital that is treated as occurring by virtue of [^{F2}section 135 or 136], that amount for the disposal of the original holding.

[^{F3}(1A) Subsection (1B) below applies where, but for [^{F4}section 135 or 136], section 30 would have effect, by virtue of section 31A, as respects the disposal by a company (“the disposing company”) of an asset consisting of shares in or debentures of another company (“the original holding”) in exchange for shares in or debentures of a further

Status: Point in time view as at 08/07/2008. This version of this provision has been superseded.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 34 is up to date with all changes known to be in force on or before 15 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)

company which, immediately after the disposal, is not a member of the same group as the disposing company.

(1B) Section 31A shall apply as if [^{F4}section 135 or 136] did not apply.

(1C) In applying section 31A(7) and (8)—

- (a) the reference in section 31A(8) to an allowable loss or chargeable gain which accrued on the section 30 disposal shall be taken as a reference to the allowable loss or chargeable gain which would have accrued had [^{F5}section 135 or 136] not applied, and
- (b) an allowable loss shall be treated as a chargeable gain of nil.]

(2) [^{F6}In subsections (1) to (1C)] “group” has the same meaning as in sections 30 to 33.

Textual Amendments

- F1** Words in s. 34(1)(a) substituted (with effect in accordance with Sch. 9 paras. 7, 8 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 9 para. 5\(3\)\(a\)](#)
- F2** Words in s. 34(1) substituted (with effect in accordance with Sch. 9 paras. 7, 8 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 9 para. 5\(3\)\(b\)](#)
- F3** S. 34(1A)-(1C) inserted (with effect in accordance with Sch. 9 para. 5 of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 9 para. 4\(2\)](#)
- F4** Words in s. 34(1A)(1B) substituted (with effect in accordance with Sch. 9 paras. 7, 8 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 9 para. 5\(3\)\(a\)](#)
- F5** Words in s. 34(1C)(a) substituted (with effect in accordance with Sch. 9 paras. 7, 8 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 9 para. 5\(3\)\(a\)](#)
- F6** Words in s. 34(2) substituted (with effect in accordance with Sch. 9 paras. 7, 8 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 9 para. 5\(3\)\(c\)](#)

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