

SCHEDULES

SCHEDULE 29

CHARGEABLE GAINS: NON-RESIDENT COMPANIES AND GROUPS ETC.

PART II

MINOR AND CONSEQUENTIAL AMENDMENTS

Section 106 of the Taxation of Chargeable Gains Act 1992

- 18 (1) Section 106 of the Taxation of Chargeable Gains Act 1992 (disposal of shares and securities within prescribed period of acquisition) is amended as follows.
- (2) For subsection (2) substitute—
- “(2) Subsections (2A) to (2C) below apply where the company making the disposal is a member of a group.
- (2A) Where—
- (a) shares of the class in question are held by another member of the group, and
 - (b) at any time during the prescribed period before the disposal, the condition in subsection (2D) below is met,
- those shares shall be treated for the purposes of paragraph (a) of subsection (1) above as held by the company making the disposal.
- (2B) Where—
- (a) shares of the class in question are acquired by another member of the group, and
 - (b) at the time of the acquisition, the condition in subsection (2D) below is met,
- those shares shall be treated for the purposes of paragraph (b) of subsection (1) above as acquired by the company making the disposal.
- (2C) Where—
- (a) shares of the class in question are acquired by the company making the disposal from another company which was a member of the group throughout the prescribed period before and after the disposal, and
 - (b) throughout the part of the prescribed period before or after the disposal for which the other member of the group held the shares, the condition in subsection (2D) below is met,
- those shares shall be disregarded for the purposes of paragraph (b) of subsection (1) above.

Status: This is the original version (as it was originally enacted).

(2D) The condition referred to in subsections (2A) to (2C) above is—

- (a) that the other member of the group is resident in the United Kingdom, or
- (b) that the shares are chargeable shares in relation to that other member.”

(3) In subsection (10), after the definition of “prescribed period” insert—

“and for the purposes of this section shares are “chargeable shares” in relation to a company at any time if, were the shares to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain and would by virtue of section 10(3) form part of its chargeable profits for corporation tax purposes.”

(4) The above amendments, and the main amendments so far as they apply for the purposes of section 106, have effect in relation to cases in which the prescribed period before the disposal (within the meaning of that section) begins on or after 1st April 2000.