

*Changes to legislation:* There are currently no known outstanding effects  
for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 9

Section 45.

#### SUPPLEMENTARY PROVISIONS ABOUT DEEMED DISPOSALS UNDER SECTION 45

##### Textual Amendments

- F1** *Sch. 9 repealed by Finance Act 1985 (c. 54, SIF 63:1), s. 98(6) and Sch. 27 Part X in relation to disposals of interests in land taking place on or after 19 March Finance Act 1985 (c. 54, SIF 63:1), but without affecting the construction of 1979 (C) Sch. 5 para. 9(5).*

##### Interpretation

1 (1) *In this Schedule—*

*“the five-year period”, in relation to a relevant chargeable building, means the period of five years beginning with the material date;*  
*“the interest of a relevant person”, in relation to a relevant chargeable building, means that interest of a relevant person in the relevant land by virtue of which he is a relevant person (and references to a relevant person’s interest shall be construed accordingly);*  
*“the principal section” means section 45 of this Act;*  
*“relevant chargeable building” means a chargeable building which after 17<sup>th</sup> December 1973 is first let or occupied to a material extent after the commencement of the relevant development, other than a chargeable building in the case of which, by virtue of subsection (3) of the principal section, subsection (1) of that section does not apply;*  
*“relevant person”, in relation to a chargeable building which after 17<sup>th</sup> December 1973 is first let or occupied to a material extent after the commencement of the relevant development, means any person who after that date, either by granting one or more leases or by his occupation of the whole or any part or parts of the chargeable building, caused or helped to cause the building to be let or occupied as aforesaid.*

(2) *In the application of the principal section and this Schedule to Scotland,—*

*“freehold” means the estate or interest of the proprietor of the dominium utile, or, in the case of property other than feudal property, of the owner;*  
*“reversion” means the interest of the landlord in property subject to a lease.*

##### *The interest of a relevant person*

2 (1) *In the case of a relevant chargeable building, this paragraph shall apply in relation to the interest of a relevant person in the relevant land.*

- (2) *Subsection (1) of the principal section shall not apply to a relevant person’s interest in the relevant land on the material date unless on that date—*

---

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

- (a) *the relevant land is wholly or partly let under one or more leases granted by him; and*
- (b) *the rent or aggregate of the rents to which he is entitled under the lease or leases is £5,000 or more per annum,*

*and shall in any case not apply to his interest in so much, if any, of the relevant land as is occupied by him on that date.*

*For the purposes of this and the following sub-paragraph a relevant person who on any date occupies not less than 90 per cent. of the floor area of the relevant chargeable building shall be deemed to occupy on that date the whole of so much of the relevant land as is then subject to his interest (and references to occupation in this and the following sub-paragraph shall be construed accordingly).*

- (3) *Where by virtue of sub-paragraph (2) above subsection (1) of the principal section does not apply—*
  - (a) *to a relevant person's interest in the relevant land on the material date by reason of his occupation of so much of that land as is subject to that interest; or*
  - (b) *to a relevant person's interest in that land on that date so far as it is not occupied by him,*

*then, if within the five-year period the rent or aggregate of the rents to which he is entitled under any lease or leases by which he has let the whole or any part or parts of the relevant land becomes £5,000 or more per annum, he shall be deemed for the purposes of [ the Capital Gains Tax Act 1979 <sup>F2</sup>] and Chapter I of this Part of this Act to have on the subsequent date disposed of and immediately re-acquired for a consideration equal to its market value his interest in so much of the relevant land as is not on the subsequent date occupied by him <sup>F3</sup>.*

*In this and the following sub-paragraph “the subsequent date” means the date within the five-year period on which the said rent or the aggregate of the said rents first becomes £5,000 or more per annum or, if this sub-paragraph would to any extent apply to a relevant person's interest on the last-mentioned date but for his occupation on that date of not less than 90 per cent. of the floor area of the relevant chargeable building, the date (if any) within the five-year period on which he first occupies less than 90 per cent. of that floor area.*

- (4) *If before the end of the five-year period a relevant person—*
  - (a) *in a case where subsection (1) of the principal section applies to his interest on the material date in so much of the relevant land as was not occupied by him on that date, ceases to occupy any part of the relevant land which was occupied by him on that date; or*
  - (b) *in a case where sub-paragraph (3) above applies to his interest on the subsequent date in so much of the relevant land as was not occupied by him on that date, ceases to occupy any part of the relevant land which was occupied by him on that date,*

*then the said subsection (1) or sub-paragraph (3) shall apply to his interest in that part as if he had not been in occupation of it on the material date or the subsequent date, as the case may be (but without prejudice to the operation of this sub-paragraph in relation to his interest in any other such part of the relevant land which he may cease to occupy within the five-year period).*

---

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

- (5) *For the purposes of this paragraph the rent per annum to which a relevant person is entitled at any particular date under a lease of the whole or part of the relevant land shall be treated as being whichever of the following is the greater, that is to say—*
- (a) *the rent which at the time when the lease was granted was the rack-rent for so much of the relevant land as is let under the lease; and*
  - (b) *the actual rent per annum to which he is entitled under the lease at that date.*

#### Textual Amendments

**F2** *Capital Gains Tax Act 1979 (c. 14, SIF 63:1), s. 157(2) and Sch. 7 para. 8 for 1979-80 et seq.*

**F3** *See 1972 Sch. 16 para. 14A—legal restrictions on distributions not to affect amount of close company's income apportionable to participators so far as attributable to development gains on disposal deemed to have been made by virtue of Sch. 9 para. 2(3).*

#### *Interests other than that of a relevant person*

- 3 (1) *Subject to the following paragraphs of this Schedule, this paragraph (so far as applicable) shall in the case of a relevant chargeable building have effect with respect to any interest (other than the interest of a relevant person) which a person has in the relevant land on the material date, being a freehold interest or an interest under a lease or agreement for a lease.*
- (2) *Subsection (1) of the principal section shall not apply to a person's freehold interest in the whole or part of the relevant land or to the interest of a lessee under a lease of the whole or part of the relevant land if at the material date—*
- (a) *that interest is not subject to any lease or agreement for a lease, and the rack-rent for so much of the relevant land as is subject to that interest is less than £5,000 per annum and cannot reasonably be expected to be increased to or above £5,000 per annum within the five-year period; or*
  - (b) *that interest is subject to one or more leases or agreements for a lease extending, or together extending, to the whole of so much of the relevant land as is subject to that interest, and the rent or aggregate of the rents to which he is or is to be entitled under or by virtue of the said one or more leases or agreements is less than £5,000 per annum and cannot reasonably be expected to be increased to or above £5,000 per annum within the five-year period; or*
  - (c) *that interest is subject to one or more leases or agreements for a lease extending, or together extending, to part only of so much of the relevant land as is subject to that interest, and the aggregate of—*
    - (i) *the rent or aggregate of the rents to which he is or is to be entitled under or by virtue of the said one or more leases or agreements; and*
    - (ii) *the rack-rent for the remainder of so much of the relevant land as is subject to that interest,**is less than £5,000 per annum and cannot reasonably be expected to be increased to or above £5,000 per annum within the five-year period.*
- (3) *Sub-paragraph (2) above shall apply in relation to the interest of a person under an agreement to grant him a lease of the whole or part of the relevant land as it applies in relation to the interest of a lessee under a lease of the whole or part of the relevant land, subject to the modification that in paragraphs (a) to (c) the references to his interest under that agreement being subject to one or more leases shall be omitted.*

---

*Changes to legislation:* There are currently no known outstanding effects  
 for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

- (4) *Where a person's interest in the relevant land falls within sub-paragraph (1) above and is not excluded from the operation of subsection (1) of the principal section by any of the preceding provisions of this paragraph, the said subsection (1) shall not apply to that interest if the rent or aggregate of the rents to which he is or is to be entitled under or by virtue of any one or more leases or agreements for a lease to which at the material date that interest is subject does not, and cannot be made to, reflect the value or any part of the value of the relevant development.*
- (5) *Where—*
- (a) *the preceding sub-paragraph would apply to a person's interest in the relevant land but for the fact that the rent or aggregate of the rents there mentioned can be made to reflect the value or part of the value of the relevant development; but*
  - (b) *that rent or the aggregate of those rents cannot be made to reflect that value (or part of it) until a date as from which the rent or one or more of the rents in question could be increased under provisions for the review of the rent contained in any relevant lease or agreement,*
- then, if that person makes a claim under this sub-paragraph, subsection (1) of the principal section shall in the case of that interest or, if the rent or rents which can be increased as mentioned in paragraph (b) above extend to part only of a person's interest, that part of his interest apply as if the last reference therein to the material date were a reference to the date mentioned in paragraph (b) of this sub-paragraph and, where the rent or rents which can be increased at that date extend to part only of a person's interest, as if his interest in the relevant land were limited to that part.*
- 4 (1) *In the case of a relevant chargeable building, paragraph 3 of this Schedule shall not have effect with respect to an interest which a person has in the relevant land on the material date, being either—*
- (a) *a freehold or leasehold interest which on the material date is subject to a lease or an agreement to grant a lease, being (in either case) a lease of which the term will expire within the period of twenty-five years from the commencement of the relevant development; or*
  - (b) *an interest under an agreement for a lease which on the material date is subject to an agreement to grant a lease of which the term will expire within the said period.*
- (2) *The provisions of subsections (1)(b), (c) and (d) and (2) to (3A) of section 84 of the Taxes Act shall have effect in ascertaining for the purposes of this paragraph when the term of a lease or prospective lease will expire as they have effect in ascertaining the duration of a lease for the purposes of sections 80 to 82 of that Act, but as if—*
- (a) *in the said subsection (1)(b), after the word "premium" there were inserted the words "(if any)";*
  - (b) *in the said subsection (2), for the words from "the time of the grant of the lease" to "entered into" there were substituted the words "the material date referred to in paragraph 4(1) of Schedule 9 to the Finance Act 1974";*
  - (c) *in the said subsection (3A), the reference to the provisions of subsections (1) to (3) of the said section 84 were a reference to those provisions as applied by this paragraph;*
  - (d) *in the case of a prospective lease, references to what its terms do were references to what, in accordance with the agreement under which the lease is to be granted, its terms are to do.*

---

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

- 5        *In the case of a relevant chargeable building, subsection (1) of the principal section shall not apply to an interest in the relevant land which does not fall within paragraph 2, 3 or 4 of this Schedule if the market value of that interest on the material date is less than £10,000.*

*Provisions supplementary to paragraph 3*

- 6        (1) *The following provisions of this paragraph shall have effect for the purposes of paragraph 3 of this Schedule.*
- (2) *Without prejudice to sub-paragraphs (3) and (4) below, if at the time when a lease or agreement for a lease was granted or entered into the parties thereto were not at arm's length, the rent to which the lessor or party agreeing to grant a lease is or is to be entitled shall be deemed to be what it would be if, the other terms of the lease or agreement remaining as they are, the amount of the rent had been negotiated by the parties at arm's length.*
- (3) *Where the payment of any premium, fine or other capital sum (whether in lieu of or in addition to rent)—*
- (a) *is required under a lease or otherwise under the terms subject to which a lease is granted, or on the granting of a lease; or*
- (b) *will be so required by virtue of an agreement for a lease; or*
- (c) *is on the making of an agreement for a lease required from the party to whom the lease is to be granted,*
- the amount per annum of the rent to which the lessor or party by whom the lease is to be granted is or is to be entitled under or by virtue of the lease or agreement shall be deemed to be (if there is or is to be no actual rent) or to include (in addition to the actual rent, where there is or is to be any) the annual equivalent of that sum or, if there are two or more such sums, the aggregate of their respective annual equivalents.*
- (4) *Where the terms subject to which a lease is or is to be granted impose or are to impose on the lessee an obligation to carry out any work on the premises, the lease shall for the purposes of sub-paragraph (3) above be deemed to have required, or to be one that will require the payment of a premium to the lessor (in addition to any other premium) of an amount equal to the amount by which the value of the interest of the lessor immediately after the commencement of the lease exceeds or will exceed what its then value would have been or would be if the said terms did not or were not to impose that obligation on the lessee.*

*Exemption for interest in land occupied on the material date in right of that interest*

- 7        (1) *Where, in the case of a relevant chargeable building, subsection (1) of the principal section would, apart from this paragraph, apply to an interest (not being the interest of a relevant person) which a person has in the relevant land on the material date, the following provisions of this paragraph shall apply if on that date any part of the relevant land is occupied by him in right of that interest.*
- (2) *Subject to the following provisions of this paragraph, the said subsection (1) shall not apply to that interest of that person in so much of the relevant land as is on the material date occupied by him in right thereof.*
- (3) *If before the end of the five-year period that person ceases to occupy any part of the relevant land, being a part in which he had an interest on the material date and to which the said subsection (1) would apply but for sub-paragraph (2) above, the said*

---

*Changes to legislation:* There are currently no known outstanding effects  
 for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

*sub-paragraph (2) shall cease to apply to the interest which he had on that date in that part, and the said subsection (1) shall apply thereto accordingly.*

- (4) *For the purposes of this paragraph a person who on any date occupies not less than 90 per cent. of the floor area of the relevant chargeable building shall be deemed to occupy on that date the whole, and not to have ceased on that date to occupy any part, of so much of the relevant land as is then subject to his interest (and references to occupation and ceasing to occupy shall be construed accordingly).*

*Exemption for interest in land disposed of after the material date*

- 8 (1) *Where, in the case of a relevant chargeable building, subsection (1) of the principal section or sub-paragraph (3) of paragraph 2 of this Schedule would, apart from this paragraph, apply to an interest which a person has in the relevant land on the material date, or, as the case may be, the subsequent date within the meaning of that sub-paragraph, then, subject to the following provisions of this paragraph, that subsection or sub-paragraph, as the case may be, shall not apply, and be deemed never to have applied, to that interest if the whole of that interest is disposed of by him within the period of three years beginning with that date or such longer period as the Board may by notice in writing allow.*
- (2) *The preceding sub-paragraph shall not be taken to affect the application of the said subsection (1) to interests in the relevant land which are not excluded therefrom by that sub-paragraph.*
- (3) *Sub-paragraph (1) above shall not apply if by virtue of any enactment the person disposing of his interest in the relevant land (“the disposer”) and the person to whom the disposal is made fall to be treated as if the latter’s acquisition of it were for a consideration of such amount as would secure that on the disposal by the disposer neither a gain nor a loss would accrue to the disposer.*

*Exemption by reference to occupation within three years  
 of the material date of land then intended to be occupied*

- 9 (1) *The following provisions of this paragraph shall have effect for the purposes of paragraphs 2 and 7 of this Schedule in the case of a relevant chargeable building.*
- (2) *If on the material date a person—*
- (a) *has an interest in a part of the relevant land which is not then occupied by him; and*
  - (b) *intends to occupy that part in right of that interest,*
- then, if within the period of three years beginning with that date he goes into occupation of that part in right of that interest, he shall be deemed to have been in occupation of that part in right of that interest throughout the period beginning with the material date and ending with the time when he so went into occupation of it (even if that part was wholly or partly occupied by others for some or all of that period).*
- (3) *If the interest in question is an agreement for a lease and the person goes into occupation of the part in question under a lease granted in pursuance of that agreement, sub-paragraph (2) above shall apply as if he had gone into occupation in right of the agreement.*

---

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

*Exemption for interests in land subject on 18th December 1973 to certain leases or agreements for a lease*

- 10 (1) *In the case of a relevant chargeable building, subsection (1) of the principal section shall not apply to the interest of a person in the relevant land, on his making a claim, in so far as—*
- (a) *that interest is subject to a lease which was granted before 18 th December 1973; or*
  - (b) *that person had before that date entered into an agreement, whether unconditional or conditional, to grant a lease of the whole or part of so much of the relevant land as is subject to that interest,*
- and, in either case, the rent reserved or to be reserved under the lease, and any premium payable under or in respect of the lease or agreement, does not depend wholly or mainly on the value of the chargeable building (or of any part of that building) on the completion of the relevant development.*
- (2) *Where, in the case of a relevant chargeable building, a person having an interest in the relevant land had before 18 th December 1973 arranged (without entering into a binding contract)—*
- (a) *to grant to another person a lease of the whole or part of so much of the relevant land as is subject to that interest; or*
  - (b) *to enter into with another person such an agreement as is mentioned in sub-paragraph (1)(b) above,*
- and—*
- (i) *the arrangement was made in writing, or is evidenced by a memorandum or note thereof so made before that date; and*
  - (ii) *he grants such a lease to or (as the case may be) enters into such an agreement with that other person before 18 th December 1974 on terms which do not differ materially from the terms of the arrangement or, if they so differ, are not more beneficial to the first-mentioned person,*
- then the lease or agreement shall be treated for the purposes of sub-paragraph (1) above as if granted or entered into before 18 th December 1973.*

*Groups of companies*

- 11 (1) *For the purposes of determining whether a chargeable building falls within subsection (1) or subsection (3) of the principal section, any lease granted by a member of a group of companies to another member of the group shall be disregarded.*
- (2) *For the purposes of this Schedule, land occupied by a member of a group of companies may be treated as occupied by any other member of the group.*
- (3) *Section 272 of the Taxes Act (groups of companies: definitions) shall apply for the purposes of this paragraph as it applies for the purposes of sections 273 to 281 of that Act.*

*Tied premises*

- 12 (1) *For the purposes of this Chapter a person carrying on a trade who is a lessor of tied premises shall be treated as occupying those premises.*

---

*Changes to legislation:* There are currently no known outstanding effects  
 for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

- (2) *The preceding sub-paragraph shall be construed in accordance with section 140(2) of the Taxes Act (income tax and corporation tax on tied premises).*

*Power to make assessments etc. in connection with certain deemed disposals*

- 13 (1) *Where in accordance with this Schedule subsection (1) of the principal section or sub-paragraph (3) of paragraph 2 of this Schedule comes to apply to a person's interest in any land in consequence of his ceasing to occupy that land, an assessment to tax chargeable in consequence of that subsection or sub-paragraph so coming to apply to that interest may be made at any time within six years from the time when that subsection or sub-paragraph so came to apply to that interest.*
- (2) *Where—*
- (a) *under the said subsection (1) or sub-paragraph (3) a person is to be treated as having disposed of and reacquired an interest in any land; or*
  - (b) *under paragraph 8 above the said subsection (1) is deemed never to have applied to a particular interest in land,*
- all such recomputations of liability in respect of other disposals, and all such adjustments of tax, whether by way of assessment or by way of discharge or repayment of tax, as may be required in consequence of the said subsection (1), sub-paragraph (3) or paragraph 8 shall be carried out.*
- (3) *The preceding provisions of this paragraph shall have effect notwithstanding any limit on the time for making assessments; and in this paragraph "tax" means capital gains tax, income tax or corporation tax.*

*Postponement of payment of tax*

- 14 (1) *Subject to sub-paragraph (2) below, where an interest in land is under subsection (1) of the principal section or sub-paragraph (3) of paragraph 2 of this Schedule deemed to have been disposed of, the total tax chargeable in respect of a gain accruing on the disposal may, at the option of the person liable to pay it, be paid by eight equal yearly instalments or sixteen half-yearly instalments, but subject to the payment of interest under Part IX (except sections 87 and 88) of the Taxes Management Act 1970.*
- (2) *Where on the occasion on which the said subsection (1) or sub-paragraph (3) comes to apply to a person's interest in any land he becomes entitled to one or more capital sums (whether by way of premium or otherwise), then—*
- (a) *if the total tax chargeable in respect of a gain accruing on the disposal of that interest which under that subsection or sub-paragraph he is deemed to have made does not exceed one-half of that capital sum or of the aggregate of those capital sums, as the case may be, sub-paragraph (1) above shall not apply to the tax chargeable in respect of that gain; and*
  - (b) *if the total tax chargeable as aforesaid exceeds one-half of that capital sum or of the aggregate of those capital sums, as the case may be, sub-paragraph (1) above shall apply only to so much of the total tax as exceeds that half.*
- (3) *Where tax is payable by instalments by virtue of this paragraph, the first instalment shall be due at the expiration of twelve months from the time of the disposal and the interest on the unpaid portion of the tax shall be added to each instalment and paid accordingly; but the tax for the time being unpaid, with interest to the date of payment, may be paid at any time, and, subject to the following sub-paragraph, shall become due and payable forthwith if the interest in land deemed to have been*



**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

*disposed of as aforesaid is disposed of for valuable consideration under a subsequent disposal (whether or not the subsequent disposal is made by the person who is deemed to have acquired it under the first disposal).*

- (4) *Where a subsequent disposal such as is described in the preceding sub-paragraph is a part disposal of the interest in land deemed to have been disposed of as aforesaid, a fraction only of the tax for the time being unpaid shall, with interest to the date of payment, become due and payable forthwith, and that fraction shall be the fraction of the sums mentioned in the following sub-paragraph which is allowable as a deduction in computing under [Chapter II of Part II of the Capital Gains Tax Act 1979<sup>F4</sup>] the amount of the gain accruing on the part disposal.*
- (5) *The sums referred to in the preceding sub-paragraph are the sums which, if so much of the interest in land there mentioned as immediately before the time of the part disposal in question remained undisposed of had been disposed of at that time, would be allowable by virtue of [section 32(1)(a) and (b) of the Capital Gains Tax Act 1979<sup>F4</sup>] as a deduction in computing under [Chapter II of Part II of that Act<sup>F4</sup>] the gain accruing on that disposal of that much of that interest.*
- (6) *[Section 40 of the Capital Gains Tax Act 1979<sup>F4</sup>] (payment of tax by instalments) shall not apply in relation to the payment of tax in respect of a gain accruing on a disposal of an interest in land to which sub-paragraph (1) above applies.*
- (7) *In this paragraph “tax” means capital gains tax, income tax or corporation tax.*

#### Textual Amendments

**F4** Capital Gains Tax Act 1979 (c. 14, SIF 63:1), s. 157(2) and Sch. 7 para. 9 for 1979-80 et seq.

#### *Consideration for deemed disposal to be disregarded in certain circumstances in computing capital gain*

- 15 *Where an interest in land is under subsection (1) of the principal section or sub-paragraph (3) of paragraph 2 of this Schedule deemed to have been disposed of, the consideration for which the disposal is deemed to have been made shall for the purposes of [the Capital Gains Tax Act 1979<sup>F5</sup>] be disregarded if, had it been actually paid, it would under [section 31 of that Act<sup>F5</sup>] fall to be excluded from the consideration for the disposal taken into account in the computation under [Chapter II of Part II of that Act<sup>F5</sup>] of the gain accruing on the disposal.*

#### Textual Amendments

**F5** Capital Gains Tax Act 1979 (c. 14, SIF 63:1), s. 157(2) and Sch. 7 paras. 8 and 9 for 1979-80 et seq.

#### *Deemed disposals in cases involving the grant of a lease for a premium*

- 16 (1) *Where an interest in land is under subsection (1) of the principal section or paragraph 2(3) of this Schedule deemed to have been disposed of on a particular date and before that date (but after 17th December 1973) there was a part disposal of that interest by way of the grant of a lease or sub-lease at a premium, then, if income tax has become chargeable under section 80 of the Taxes Act on any amount by reference to that premium so that an exclusion or deduction of that amount falls*

*Changes to legislation: There are currently no known outstanding effects  
 for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)*

*to be made under paragraph 5(1) or (2) of [Schedule 3 to the Capital Gains Tax Act 1979 <sup>F6</sup>], the two following sub-paragraphs shall apply; and in those sub-paragraphs “the said interest” means the interest in land first mentioned in this sub-paragraph.*

- (2) *In computing under [Chapter II of Part II of the Capital Gains Tax Act 1979 <sup>F6</sup>] the amount of the gain accruing on the disposal of the said interest—*
- (a) *the consideration for the disposal shall be treated as increased by an amount equal to the premium paid in respect of the grant of the said lease or sub-lease;*
  - (b) *the sums allowable by virtue of paragraphs (a) and (b) of [section 32(1) of that Act <sup>F7</sup>] as a deduction from the consideration for the disposal shall be treated as including any part of those sums which is as a result of an apportionment under [section 35 of that Act <sup>F7</sup>] allowable as a deduction in computing under [the said Chapter II <sup>F7</sup>] the amount of the gain accruing on the part disposal; and*
  - (c) *the gain as computed in accordance with (a) and (b) above shall then be reduced by the amount of any gain which (after any exclusion or deduction falling to be made under the said paragraph 5(1) or (2)) accrued on the part disposal, and the amount resulting from that reduction shall (subject to section 38(2) of this Act) be taken as the amount of the gain accruing on the disposal of the said interest.*
- (3) *In a case falling within sub-paragraph (1) above involving more than one part disposal in relation to which sub-paragraph (2) above is applicable, the provisions of sub-paragraph (2)(a) and (b) above shall operate cumulatively as regards those part disposals, and the reference in sub-paragraph (2)(c) above to the gain as computed in accordance with those provisions shall be construed accordingly.*
- (4) *In this and the following paragraph “premium” has the same meaning as in paragraph 5(1) and (2) of [Schedule 3 to the Capital Gains Tax Act 1979 <sup>F7</sup>].*

#### Textual Amendments

- F6** Capital Gains Tax Act 1979 (c. 14, SIF 63:1), s. 157(2) and Sch. 7 paras. 8 and 9 for 1979-80 et seq.  
**F7** Capital Gains Tax Act 1979 (c. 14, SIF 63:1), s. 157(2) and Sch. 7 paras. 8 and 9 for 1979-80 et seq.

- 17 *Where an interest in land is under subsection (1) of the principal section or paragraph 2(3) of this Schedule deemed to have been disposed of on a particular date and on that date there was a part disposal of that interest in consequence of the grant out of that interest of a lease in respect of which a premium was required under that lease or otherwise under the terms subject to which that lease was granted, that part disposal shall be disregarded for all purposes of [the Capital Gains Tax Act 1979 <sup>F8</sup>].*

#### Textual Amendments

- F8** Capital Gains Tax Act 1979 (c. 14, SIF 63:1), s. 157(2) and Sch. 7 paras. 8 and 9 for 1979-80 et seq.

- 18 *Where an interest in land consisting of a reversion on a lease is under subsection (1) of the principal section or paragraph 2(3) of this Schedule deemed to have been disposed of, paragraph 7 of [Schedule 3 to the Capital Gains Tax 1979 <sup>F9</sup>]*

---

**Changes to legislation:** There are currently no known outstanding effects  
for the Finance Act 1974, SCHEDULE 9. (See end of Document for details)

---

*(deduction allowable under [Section 32(1)(b) of that Act<sup>F9</sup>] in respect of amount chargeable to tax under section 80(2) of the Taxes Act as being a premium the payment of which is deemed to be required by a lease) shall not apply for the purposes of the computation of any gain accruing on the disposal.]*

---

**Textual Amendments**

**F9** Capital Gains Tax Act 1979 (c. 14, SIF 63:1), s. 157(2) and Sch. 7 para. 9 for 1979-80 et seq.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1974, SCHEDULE 9.