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SCHEDULES.

SCHEDULE 10

CAPITAL GAINS.

PART I

CAPITAL GAINS TAX AND CORPORATION TAX

Transfer of business on retirement.

- 2 (1) Subject to sub-paragraph (2) below, section 34(1)(b) of the Finance Act 1965 (relief from capital gains tax for an individual disposing of shares or securities of his family company on his retirement) shall apply where under paragraph 3 of Schedule 7 to the Finance Act 1965 he is treated as disposing of interests in shares or securities of a company in consideration of a capital distribution from the company in the course of dissolving or winding up the company as it applies where he disposes of shares or securities of a company by way of sale or gift.
- (2) Sub-paragraph (1) above shall not apply if the capital distribution consists wholly of chargeable business assets of the company, and if it consists partly of chargeable business assets (and partly of money or money's worth), relief shall only be given under the said section 34 in respect of that proportion of the gains accruing on the disposal which the part of the capital distribution not consisting of chargeable business assets bears to the entire capital distribution.
- (3) Paragraphs (a) and (b) of the said section 34(1) (which each impose conditions to be satisfied throughout the period of ten years ending with the disposal) shall apply where throughout part of the said period of ten years the conditions in either of those paragraphs were fulfilled and throughout the remainder of that period the conditions in the other paragraph were fulfilled.