



# Capital Gains Tax Act 1979 (repealed 6.3.1992)

## 1979 CHAPTER 14

### PART IV

#### SHARES AND SECURITIES

#### CHAPTER II

##### REORGANISATION OF SHARE CAPITAL, CONVERSION OF SECURITIES, ETC.

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

**C1** See [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. **220(9)**

*Reorganisation or reduction of share capital*

**77 Application of sections 78 to 81.**

- (1) For the purposes of this section and sections 78 to 81 below “reorganisation” means a reorganisation or reduction of a company’s share capital, and in relation to the reorganisation—
- (a) “original shares” means shares held before and concerned in the reorganisation,
  - (b) “new holding” means, in relation to any original shares, the shares in and debentures of the company which as a result of the reorganisation represent the original shares (including such, if any, of the original shares as remain).
- (2) The reference in subsection (1) above to the reorganisation of a company’s share capital includes—

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- (a) any case where persons are, whether for payment or not, allotted shares in or debentures of the company in respect of and in proportion to (or as nearly as may be in proportion to) their holdings of shares in the company or of any class of shares in the company, and
- (b) any case where there are more than one class of share and the rights attached to shares of any class are altered.
- (3) The reference in subsection (1) above to a reduction of share capital does not include the paying off of redeemable share capital, and where shares in a company are redeemed by the company otherwise than by the issue of shares or debentures (with or without other consideration) and otherwise than in a liquidation, the shareholder shall be treated as disposing of the shares at the time of the redemption.

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

**C2** See Finance Act 1980 (c. 48, SIF 63:2), s. 117 and Sch. 18 para. 9

**C3** See— Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), ss. 114, 187(2) and Sch. 11 para. 6(2); Finance Act 1989 (c. 26, SIF 63:2), s. 69(9) and Sch. 5 paras. 8, 11

**78 Equation of original shares and new holding.**

Subject to sections 79 to 81 below, a reorganisation shall not be treated as involving any disposal of the original shares or any acquisition of the new holding or any part of it, but the original shares (taken as a single asset) and the new holding (taken as a single asset) shall be treated as the same asset acquired as the original shares were acquired.

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

**C4** See Finance Act 1980 (c. 48, SIF 63:2), s. 117 and Sch. 18 para. 9

**C5** See— Capital Gains Tax Act 1979 (c. 14), s. 149C(5); Finance Act 1982 (c. 39, SIF 63:2), s. 86 and Sch. 13 para. 5; Finance Act 1984 (c. 43, SIF 63:2), s. 64(7) and Sch. 13 Part II regarding treatment of qualifying corporate bonds; Finance Act 1985 (c. 54), s. 69 and Sch. 20 para. 2; Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), ss. 139(13), 299(5), 305, 757(1), 758(5) and 760(4); Finance Act 1988 (c. 39, SIF 63:1, 2), ss. 82, 114 and Sch. 11 para. 3(1)(b); Finance Act 1989 (c. 26, SIF 63:2), s. 140; S.I. 1986 No. 1948 regulation 32(3) and S.I. 1989 No. 469 regulation 27

**79 Consideration given or received by holder.**

- (1) Where, on a reorganisation, a person gives or becomes liable to give any consideration for his new holding or any part of it, that consideration shall in relation to any disposal of the new holding or any part of it be treated as having been given for the original shares, and if the new holding or part of it is disposed of with a liability attaching to it in respect of that consideration, the consideration given for the disposal shall be adjusted accordingly:

Provided that there shall not be treated as consideration given for the new holding or any part of it any surrender, cancellation or other alteration of the original shares or of the rights attached thereto, or any consideration consisting of any application, in paying up the new holding or any part of it, of assets of the company or of any dividend or other distribution declared out of those assets but not made.

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[<sup>F1</sup>Provided also that, in the case of a reorganisation on or after 10th March 1981, any consideration given for the new holding or any part of it otherwise than by way of a bargain made at arm's length shall be disregarded to the extent that its amount or value exceeds the relevant increase in value; and for this purpose "the relevant increase in value" means the amount by which the market value of the new holding immediately after the reorganisation exceeds the market value of the original shares immediately before the reorganisation.]

(2) Where on a reorganisation a person receives (or is deemed to receive), or becomes entitled to receive, any consideration, other than the new holding, for the disposal of an interest in the original shares, and in particular—

- (a) where under section 72 above he is to be treated as if he had in consideration of a capital distribution disposed of an interest in the original shares, or
- (b) where he receives (or is deemed to receive) consideration from other shareholders in respect of a surrender of rights derived from the original shares,

he shall be treated as if the new holding resulted from his having for that consideration disposed of an interest in the original shares (but without prejudice to the original shares and the new holding being treated in accordance with section 78 above as the same asset).

(3) Where for the purpose of subsection (2) above it is necessary in computing the gain or loss accruing on the disposal of the interest in the original shares mentioned in subsection (2) above to apportion the cost of acquisition of the original shares between what is disposed of and what is retained, the apportionment shall be made in the like manner as under section 80(1) below.

#### Textual Amendments

**F1** Proviso added by [Finance Act 1981 \(c. 35, SIF 63:2\)](#), **s. 91**

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

**C6** See [Finance Act 1980 \(c. 48, SIF 63:2\)](#), **s. 117** and Sch. 18 para. 9

**C7** See S.I. [1986 No. 1948](#) regulation 32(3) and S.I. [1989 No. 469](#) regulation 27

**C8** See [Finance Act 1988 \(c. 39, SIF 63;1, 2\)](#), **s. 82**

## 80 Part disposal of new holding.

(1) Where for the purpose of computing the gain or loss accruing to a person from the acquisition and disposal of any part of the new holding it is necessary to apportion the cost of acquisition of any of the original shares between what is disposed of and what is retained, the apportionment shall be made by reference to market value at the date of the disposal (with such adjustment of the market value of any part of the new holding as may be required to offset any liability attaching thereto but forming part of the cost to be apportioned).

(2) This section has effect subject to section 81(2) below.

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

**C9** See [Finance Act 1980 \(c. 48, SIF 63:2\)](#), **s. 117** and Sch. 18 para. 9

**C10** See S.I. [1986 No. 1948](#) regulation 32(3) and S.I. [1989 No. 469](#) regulation 27

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**C11** See Finance Act 1988 (c. 39, SIF 63;1, 2), s. 82

## **81 Composite new holdings.**

- (1) This section shall apply to a new holding—
- (a) if it consists of more than one class of shares in or debentures of the company and one or more of those classes is of shares or debentures which, at any time not later than the end of the period of three months beginning with the date on which the reorganisation took effect, or of such longer period as the Board may by notice in writing allow, had quoted market values on a recognised stock exchange in the United Kingdom or elsewhere, or
  - (b) if it consists of more than one class of rights of unit holders and one or more of those classes is of rights the prices of which were published daily by the managers of the scheme at any time not later than the end of that period of three months (or longer if so allowed).
- (2) Where for the purpose of computing the gain or loss accruing to a person from the acquisition and disposal of the whole or any part of any class of shares or debentures or rights of unit holders forming part of a new holding to which this section applies it is necessary to apportion costs of acquisition between what is disposed of and what is retained, the cost of acquisition of the new holding shall first be apportioned between the entire classes of shares or debentures or rights of which it consists by reference to market value on the first day (whether that day fell before the reorganisation took effect or later) on which market values or prices were quoted or published for the shares, debentures or rights as mentioned in subsection (1)(a) or (1)(b) above (with such adjustment of the market value of any class as may be required to offset any liability attaching thereto but forming part of the cost to be apportioned).
- (3) For the purposes of this section the day on which a reorganisation involving the allotment of shares or debentures or unit holders' rights takes effect is the day following the day on which the right to renounce any allotment expires.

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

**C12** See Finance Act 1980 (c. 48, SIF 63:2), s. 117 and Sch. 18 para. 9

**C13** See S.I. 1986 No. 1948 regulation 32(3) and S.I. 1989 No. 469 regulation 27

**C14** See Finance Act 1988 (c. 39, SIF 63;1, 2), s. 82

## *Conversion of securities*

## **82 Equation of converted securities and new holding.**

- (1) Sections 78 to 81 above shall apply with any necessary adaptations in relation to the conversion of securities as they apply in relation to a reorganisation (that is to say a reorganisation or reduction of a company's share capital).
- (2) This section has effect subject to sections 83 and 84 below.
- (3) For the purposes of this section and section 83 below—
- (a) “conversion of securities” includes—

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- (i) a conversion of securities of a company into shares in the company, and
  - (ii) a conversion at the option of the holder of the securities converted as an alternative to the redemption of those securities for cash, and
  - (iii) any exchange of securities effected in pursuance of any enactment (including an enactment passed after this Act) which provides for the compulsory acquisition of any shares or securities and the issue of securities or other securities instead,
- (b) “security” includes any loan stock or similar security whether of the Government of the United Kingdom or of any other government, or of any public or local authority in the United Kingdom or elsewhere, or of any company, and whether secured or unsecured.

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

- C15** See— [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), ss. 56(5), 473(6), [Sch. 4 paras. 2\(4\)\(a\)](#), 7(3)(a) and [Sch. 4](#) generally; [Finance Act 1988 \(c. 39, SIF 63:1, 2\)](#), s. 114 and [Sch. 11 para. 6\(3\)](#)
- C16** See— [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), ss. 710(13), 758(6); [Finance Act 1989 \(c. 26, SIF 63:2\)](#), s. 81

**83 Premiums on conversion of securities.**

- (1) This section applies where, on a conversion of securities, a person receives, or becomes entitled to receive, any sum of money (in this section called “the premium”) which is by way of consideration (in addition to his new holding) for the disposal of the converted securities.
- (2) If the inspector is satisfied that the premium is small, as compared with the value of the converted securities, and so directs—
  - (a) receipt of the premium shall not be treated for the purposes of this Act as a disposal of part of the converted securities, and
  - (b) the premium shall be deducted from any expenditure allowable under this Act as a deduction in computing a gain or loss on the disposal of the new holding by the person receiving or becoming entitled to receive the premium.
- (3) A person who is dissatisfied with the refusal of the inspector to give a direction under subsection (2) above may appeal to the Commissioners having jurisdiction on an appeal against an assessment to tax in respect of a gain to him on a disposal of the securities.
- (4) Where the allowable expenditure is less than the premium (or is nil)—
  - (a) subsections (2) and (3) above shall not apply, and
  - (b) if the recipient so elects (and there is any allowable expenditure)—
    - (i) the amount of the premium shall be reduced by the amount of the allowable expenditure, and
    - (ii) none of that expenditure shall be allowable as a deduction in computing a gain accruing on the occasion of the conversion, or on any subsequent occasion.

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- (5) In subsection (4) above “allowable expenditure” means expenditure which immediately before the conversion was attributable to the converted securities under paragraph (a) and (b) of section 32(1) above.

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

C17 See Finance Act 1989 (c. 26, SIF 63:2), s. 141 and Sch. 15 para. 3

**84 Compensation stock.**

- (1) This section has effect where gilt-edged securities are exchanged for shares in pursuance of any enactment (including an enactment passed after this Act) which provides for the compulsory acquisition of any shares and the issue of gilt-edged securities instead.
- (2) The exchange shall not constitute a conversion of securities within section 82 above and accordingly the gilt-edged securities shall not be treated as having been acquired on any date earlier than that on which they were issued or for any consideration other than the value of the shares as determined for the purposes of the exchange.
- (3) The exchange shall be treated as not involving any disposal of the shares by the person from whom they were compulsorily acquired but—
- (a) there shall be calculated the gain or loss that would have accrued to him if he had then disposed of the shares for a consideration equal to the value mentioned in subsection (2) above, and
  - (b) on a subsequent disposal of the whole or part of the gilt-edged securities by the person to whom they were issued—
    - (i) there shall be deemed to accrue to him (in addition to any gain or loss that actually accrues) the whole or a corresponding part of the gain or loss mentioned in paragraph (a) above, and
    - (ii) <sup>F2</sup>if the disposal is within] section 67(1) above (exemption for gilt-edged securities) <sup>F2</sup>that section] shall have effect only in relation to any gain or loss that actually accrues and not in relation to any gain or loss that is deemed to accrue as aforesaid.
- (4) Where a person to whom gilt-edged securities of any kind were issued as mentioned in subsection (1) above disposes of securities of that kind, the securities of which he disposes—
- <sup>F3</sup>(a) shall, so far as possible, be identified with securities which were issued to him as mentioned in subsection (1) above rather than with other securities of that kind, and
  - (b) subject to paragraph (a) above, shall be identified with securities issued at an earlier time rather than with those issued at a later time].
- (5) Subsection (3)(b) above shall not apply to any disposal falling within the provisions of—
- (a) section 44(1) above (disposals between husband and wife),
  - (b) section 49(4) above (disposals by personal representatives to legatees), or
  - (c) section 273(1) of <sup>F4</sup>the Taxes Act 1970] (disposals within a group of companies);

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but a person who has acquired the securities on a disposal falling within those provisions (and without there having been a previous disposal not falling within those provisions or a devolution on death) shall be treated for the purposes of subsections (3)(b) and (4) above as if the securities had been issued to him.

- (6) Where the gilt-edged securities to be exchanged for any shares are not issued until after the date on which the shares are compulsorily acquired but on that date a right to the securities is granted, this section shall have effect as if the exchange had taken place on that date, as if references to the issue of the securities and the person to whom they were issued were references to the grant of the right and the person to whom it was granted and references to the disposal of the securities included references to disposals of the rights.
- (7) In this section “shares” includes securities within the meaning of section 82 above.
- (8) This section has effect subject to section 54 of the <sup>M1</sup>Finance Act 1976 (compulsory acquisition from certain companies of aircraft and shipbuilding shares).

#### Textual Amendments

- F2** Words repealed by [Finance Act 1985 \(c. 54\), s. 98\(6\)](#) and Sch. 27 Part VII with respect to disposals on or after 2 July 1986
- F3** [S. 84\(4\)\(a\)\(b\)](#) substituted by [Finance Act 1985 \(c. 54\), s. 67\(2\)](#) with respect to disposals on or after 2 July 1986
- F4** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 15](#)

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

- C18** See [Capital Gains Tax Act 1979 \(c. 14\)](#), [Sch. 6 para. 20\(4\)](#)
- C19** See— [Finance Act 1988 \(c. 39, SIF 63:1, 2\)](#), [s. 97](#) and Sch. 9 para. 3(2); [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 141](#) and Sch. 15 para. 1(2)

#### Marginal Citations

- M1** 1976 c. 40.

### *Company reconstructions and amalgamations*

#### **85 Exchange of securities for those in another company.**

- (1) Subsection (3) below has effect where a company (company A) issues shares or debentures to a person in exchange for shares in or debenture of another company (company B) and—
- (a) company A holds, or in consequence of the exchange will hold, more than one quarter of the ordinary share capital (as defined in section <sup>F5</sup>832(1) of <sup>F5</sup>the Taxes Act 1988) of company B, or
- (b) company A issues the shares or debentures in exchange for shares as the result of a general offer—
- (i) which is made to members of company B or any class of them (with or without exceptions for persons connected with company A), and
- (ii) which is made in the first instance on a condition such that if it were satisfied company A would have control of company B.

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- (2) Subsection (3) below also has effect where under section 86 below persons are to be treated as exchanging shares or debentures for shares or debentures held by them in consequence of the arrangement there mentioned.
- (3) Subject to the provisions of sections 87 and 88 below, sections 78 to 81 above shall apply with any necessary adaptations as if the two companies mentioned in subsection (1) above, or as the case may be in section 86 below, were the same company and the exchange were a reorganisation of its share capital.

#### Textual Amendments

**F5** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 paras. 15](#) and 32

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

**C20** See— [Finance Act 1970 \(c. 24, SIF 63:1, 2\)](#), [s. 279](#); [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [s. 575\(5\)](#), [Sch. 4 paras. 2](#) and [7\(3\)\(b\)](#); [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [ss. 69\(9\), 74](#), [Sch. 5 paras. 8](#) and 11

## 86 Reconstruction or amalgamation involving issue of securities.

- (1) Where—
- an arrangement between a company and the persons holding shares in or debentures of the company, or any class of such shares or debentures, is entered into for the purposes of or in connection with a scheme of reconstruction or amalgamation, and
  - under the arrangement another company issues shares or debentures to those persons in respect of and in proportion to (or as nearly as may be in proportion to) their holdings of shares in or debentures of the first-mentioned company, but the shares in or debentures of the first-mentioned company are either retained by those persons or cancelled.

then those persons shall be treated as exchanging the first-mentioned shares or debentures for those held by them in consequence of the arrangement (any shares or debentures retained being for this purpose regarded as if they had been cancelled and replaced by a new issue), and subsections (2) and (3) of section 85 above shall apply accordingly.

- (2) In this section “scheme of reconstruction or amalgamation” means a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and references to shares or debentures being retained include their being retained with altered rights or in an altered form whether as the result of reduction, consolidation, division or otherwise.
- (3) This section, and section 85(2) above, shall apply in relation to a company which has no share capital as if references to shares in or debentures of a company included references to any interests in the company possessed by members of the company.

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

**C21** See [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [s. 312\(3\)](#)



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**C22** See— Finance Act 1970 (c. 24, SIF 63:1, 2), s. 279; Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 473

## **87 Restriction on application of sections 85 and 86.**

- (1) Subject to subsection (2) below, and section 88 below, neither section 85 nor section 86 above shall apply to any issue by a company of shares in or debentures of that company in exchange for or in respect of shares in or debentures of another company unless the exchange, reconstruction or amalgamation in question is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to capital gains tax or corporation tax.
- (2) Subsection (1) above shall not affect the operation of section 85 or 86 in any case where the person to whom the shares or debentures are issued does not hold more than 5 per cent. of, or of any class of, the shares in or debentures of the second company mentioned in subsection (1) above.
- (3) For the purposes of subsection (2) above shares or debentures held by persons connected with the person there mentioned shall be treated as held by him.
- (4) If any tax assessed on a person (the chargeable person) by virtue of subsection (1) above is not paid within six months from the date when it is payable, any other person who—
  - (a) holds all or any part of the shares or debentures that were issued to the chargeable person, and
  - (b) has acquired them without there having been, since their acquisition by the chargeable person, any disposal of them not falling within section 44(1) above or section 273 of <sup>F6</sup>the Taxes Act 1970] (disposals between spouses or members of a group of companies),may, at any time within two years from the time when the tax became payable, be assessed and charged (in the name of the chargeable person) to all or, as the case may be, a corresponding part of the unpaid tax; and a person paying any amount of tax under this subsection shall be entitled to recover a sum of that amount from the chargeable person.
- (5) In this section references to shares or debentures include references to any interest or options to which this Chapter applies by virtue of section 86(3) above (interests in a company with no share capital) or section 139 below (quoted options).

### **Textual Amendments**

**F6** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 15](#)

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

- C23** Reference to capital gains tax to be construed as a reference to income tax for purposes of [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 473
- C24** See [Finance \(No. 2\) Act 1987 \(c. 51\)](#), s. 95(4) and Sch. 6 para. 5 for changes in respect of chargeable gains accruing in chargeable periods ending after a day to be appointed

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## **88 Procedure for clearance in advance.**

- (1) Section 87 above shall not affect the operation of section 85 or 86 above in any case where, before the issue is made, the Board have, on the application of either company mentioned in section 87(1) above, notified the company that the Board are satisfied that the exchange, reconstruction or amalgamation will be effected for bona fide commercial reasons and will not form part of any such scheme or arrangements as are mentioned in section 87(1) above.
- (2) Any application under subsection (1) above shall be in writing and shall contain particulars of the operations that are to be effected and the Board may, within thirty days of the receipt of the application or of any further particulars previously required under this subsection, by notice require the applicant to furnish further particulars for the purposes of enabling the Board to make their decision; and if any such notice is not complied with within thirty days or such longer period as the Board may allow, the Board need not proceed further on the application.
- (3) The Board shall notify their decision to the applicant within thirty days of receiving the application or, if they give a notice under subsection (2) above, within thirty days of the notice being complied with.
- (4) If the Board notify the applicant that they are not satisfied as mentioned in subsection (1) above or do not notify their decision to the applicant within the time required by subsection (3) above, the applicant may within thirty days of the notification or of that time required by the Board to transmit the application, together with any notice given and further particulars furnished under subsection (2) above, to the Special Commissioners; and in that event any notification by the Special Commissioners shall have effect for the purposes of subsection (1) above as if it were a notification by the Board.
- (5) If any particulars furnished under this section do not fully and accurately disclose all facts and considerations material for the decision of the Board or the Special Commissioners, any resulting notification that the Board or Commissioners are satisfied as mentioned in subsection (1) above shall be void.

### *Stock dividends*

## **89 Stock dividends: consideration for new holding.**

- (1) In applying section 79(1) above in relation to the issue of any share capital to which section [F7249 of the Taxes Act 1988] (stock dividends) applies as involving a reorganisation of the company's share capital, there shall be allowed, as consideration given for so much of the new holding as was issued as mentioned in—
  - (a) subsection (4), (5) or (6) of [F7that section], [F8or]
  - [F9(b) paragraph [F712(1) of Schedule 19] to that Act],
 (read in each case with subsection (3) of [F7that section]) an amount equal to what is, for that much of the new holding, the appropriate amount in cash within the meaning of [F7section 251(2) of the Taxes Act 1988].
- (2) This section shall have effect notwithstanding the [F10provisos] to section 79(1) above.

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*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992), Chapter II. (See end of Document for details)*

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### Textual Amendments

- F7** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 32](#)
- F8** Word repealed by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 187](#) and Sch. 17 Part V where the due date of issue of the share capital issued to a close company falls in an accounting period beginning after 31 March 1989
- F9** [S. 89\(1\)\(b\)](#) repealed by [Finance Act 1989 \(c. 26, SIF 63:2\)](#), [s. 187](#) and Sch. 17 Part V where the due date of issue of the share capital issued to a close company falls in an accounting period beginning after 31 March 1989
- F10** Word substituted by [Finance Act 1981 \(c. 35, SIF 63:2\)](#), [s. 91\(2\)\(a\)](#)

## 90 Capital gains on certain stock dividends.

- (1) This section applies where a company issues any share capital to which section [F11 249 of the Taxes Act 1988] applies in respect of shares in the company held by a person as trustee, and another person is at the time of the issue absolutely entitled thereto as against the trustee or would be so entitled but for being an infant or other person under disability (or two or more other persons are or would be jointly so entitled thereto).
- (2) Notwithstanding paragraph (a) of section 77(2) above the case shall not constitute a reorganisation of the company's share capital for the purposes of sections 77 to 79 above.
- (3) Notwithstanding [F12 section 29A(1)] above (disposal at market value) the person who is or would be so entitled to the share capital (or each of the persons who are or would be jointly so entitled thereto) shall be treated for the purposes of section 32(1) (a) above as having acquired that share capital, or his interest in it, for a consideration equal to the appropriate amount in cash within the meaning of [F11 section 251(2) to (4) of the Taxes Act 1988].

### Textual Amendments

- F11** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 32](#)
- F12** Words substituted by [Finance Act 1981 \(c. 35, SIF 63:2\)](#), [s. 90\(3\)\(a\)](#) in relation to acquisitions and disposals on or after 10 March 1981

### *Quoted options*

## 91 Application of Chapter II to quoted options.

The preceding provisions of this Chapter have effect subject to section 139 below (quoted option to be regarded for the purposes of this Chapter as the shares which could be acquired by exercising the option).

**Status:**

Point in time view as at 01/02/1991.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992), Chapter II.