



Finance Act 1981

1981 CHAPTER 35

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

RELIEF FOR INVESTMENT IN NEW CORPORATE TRADES

57 Disposal of shares

- (1) Where an individual disposes of any shares before the end of the relevant period, then—
 - (a) if the disposal is otherwise than by way of a bargain made at arm's length, he shall not be entitled to any relief in respect of those shares ; and
 - (b) in any other case, the amount of relief to which he is entitled in respect of those shares shall be reduced by the amount or value of the consideration which he receives for them.
- (2) Where an individual holds ordinary shares in a company and the relief has been given in respect of some but not others, any disposal by him of ordinary shares in the company shall be treated for the purposes of this section as relating to those in respect of which the relief has been given rather than to others.
- (3) Where the relief has been given to an individual in respect of shares in a company which have been issued to him at different times any disposal by him of the shares shall be treated for the purposes of this section as relating to those issued earlier rather than to those issued later.
- (4) Where shares in respect of which the relief was given have by virtue of any such allotment as is mentioned in section 77(2)(a) of the Capital Gains Tax Act 1979 (not being an allotment for payment) fallen to be treated under section 78 of that Act as the same asset as a new holding—

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- (a) a disposal of the whole or part of the new holding shall be treated for the purposes of this section as a disposal of the whole or a corresponding part of those shares; and
- (b) the new holding shall be treated for the purposes of subsection (2) above as shares in respect of which the relief has been given.