

## SCHEDULES

### SCHEDULE 10

#### BUILDING SOCIETIES: QUALIFYING SHARES

##### *Capital gains: exemption*

- 1 (1) Section 64 of the Finance Act 1984 (qualifying corporate bonds) shall be amended as follows.
- (2) After subsection (3D) there shall be inserted—
- “(3E) For the purposes of this section “corporate bond” also includes a share in a building society—
- (a) which is a qualifying share,
  - (b) which is expressed in sterling, and
  - (c) in respect of which no provision is made for conversion into, or redemption in, a currency other than sterling.
- (3F) For the purposes of subsection (3E) above, a share in a building society is a qualifying share if—
- (a) it is a permanent interest bearing share, or
  - (b) it is of a description specified in regulations made by the Treasury for the purposes of this paragraph.
- (3G) Subsection (3) above applies for the purposes of subsection (3E) above as it applies for the purposes of subsection (2)(c) above, treating the reference to a security as a reference to a share.”
- (3) After subsection (8) there shall be inserted—
- “(9) In this section—
- “building society” means a building society within the meaning of the Building Societies Act 1986,
  - “permanent interest bearing share” has the same meaning as in the Building Societies (Designated Capital Resources) (Permanent Interest Bearing Shares) Order 1991.
- (10) The Treasury may by regulations provide that for the definition of the expression “permanent interest bearing share” in subsection (9) above (as it has effect for the time being) there shall be substituted a different definition of that expression.
- (11) Regulations under subsection (3F)(b) or (10) above may contain such supplementary, incidental, consequential or transitional provision as the Treasury think fit.

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*Status: This is the original version (as it was originally enacted).*

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- (12) The power to make regulations under subsection (3F)(b) or (10) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.”
- (4) This paragraph shall apply in relation to disposals on or after the day on which this Act is passed.
- (5) This paragraph shall not have effect in relation to the application of section 64 for the purposes of section 136A of the Capital Gains Tax Act 1979.