

## SCHEDULES

### SCHEDULE 6

#### RETIREMENT RELIEF ETC.

#### PART II

##### THE OPERATION OF THE RELIEF

##### *Gains qualifying for relief*

- 8 (1) Subject to paragraphs 9 to 11 below, in the case of a qualifying disposal of shares or securities of a holding company—
- (a) the gains which on the disposal accrue to the individual or, as the case may be, the trustees shall be aggregated, and
  - (b) of the appropriate proportion of the aggregated gains, only so much as exceeds the amount available for relief shall constitute chargeable gains (but not so as to affect liability in respect of gains representing the balance of the aggregated gains).
- (2) For the purposes of sub-paragraph (1)(b) above, “the appropriate proportion” is that which that part of the value of the trading group’s chargeable assets immediately before the end of the qualifying period which is attributable to the value of the trading group’s chargeable business assets bears to the whole of that value; but, in the case of a trading group which has no chargeable assets, “the appropriate proportion” is the whole.
- (3) For the purposes of sub-paragraph (2) above—
- (a) any reference to the trading group’s chargeable assets or chargeable business assets is a reference to the chargeable assets or, as the case may be, chargeable business assets of every member of the trading group; and
  - (b) subject to paragraph (c) below, every asset is a chargeable asset except one, on the disposal of which by the member of the group concerned immediately before the end of the qualifying period no gain accruing to that member would be a chargeable gain; and
  - (c) a holding by one member of the trading group of the ordinary share capital of another member of the group is not a chargeable asset.
- (4) Where the whole of the ordinary share capital of a 51 per cent. subsidiary of the holding company is not owned directly or indirectly by that company, then, for the purposes of sub-paragraph (2) above, the value of the chargeable assets and chargeable business assets of that subsidiary shall be taken to be reduced by multiplying it by a fraction of which the denominator is the whole of the ordinary share capital of the subsidiary and the numerator is the amount of that share capital owned, directly or indirectly, by the holding company.

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*Status: This is the original version (as it was originally enacted).*

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- (5) Expressions used in sub-paragraph (4) above have the same meaning as in section 838 of the Taxes Act (subsidiaries).