

SCHEDULES

SCHEDULE 6

RETIREMENT RELIEF ETC.

PART II

THE OPERATION OF THE RELIEF

Relief given on earlier disposal

- 15 (1) In any case where—
- (a) an individual makes a qualifying disposal or is the qualifying beneficiary in relation to a trustees' disposal, and
 - (b) relief has been (or falls to be) given under this Schedule in respect of an earlier disposal which was either a qualifying disposal made by the individual or a trustees' disposal in respect of which he was the qualifying beneficiary,
- the amount which, apart from this paragraph, would be the amount available for relief on the disposal mentioned in paragraph (a) above shall not exceed the limit in sub-paragraph (3) below.
- (2) In the following provisions of this paragraph—
- (a) the disposal falling within sub-paragraph (1)(a) above is referred to as “the later disposal”; and
 - (b) the disposal falling within sub-paragraph (1)(b) above or, if there is more than one such disposal, each of them is referred to as “the earlier disposal”.
- (3) The limit referred to in sub-paragraph (1) above is the difference between—
- (a) the amount which would be available for relief on the later disposal—
 - (i) if the gains qualifying for relief on that disposal were increased by the amount of the underlying gains relieved on the earlier disposal (or the aggregate amount of the underlying gains relieved on all the earlier disposals, as the case may be); and
 - (ii) if the qualifying period appropriate to the later disposal (as redetermined where appropriate under paragraph 14 above) were extended by the addition of a period equal to so much (if any) of the qualifying period appropriate to the earlier disposal (or, as the case may be, to each of the earlier disposals) as does not already fall within the qualifying period appropriate to the later disposal; and
 - (b) the amount of relief given under this Schedule on the earlier disposal or, as the case may be, the aggregate of the relief so given on all the earlier disposals.

Status: This is the original version (as it was originally enacted).

- (4) Where there is only one earlier disposal, or where there are 2 or more such disposals but none of them took place on or after 6th April 1988, then, for the purposes of sub-paragraph (3)(a)(i) above—
- (a) if the earlier disposal took place on or after 6th April 1988, the amount of the underlying gains relieved on that disposal is the aggregate of—
 - (i) so much of the gains qualifying for relief on that disposal as were, by virtue of paragraph 13(1)(a) above, not chargeable gains; and
 - (ii) twice the amount of so much of those gains as were, by virtue of paragraph 13(1)(b) above, not chargeable gains; and
 - (b) if the earlier disposal took place before 6th April 1988, the amount of the underlying gains relieved on that disposal (or on each such disposal) is so much of the gains qualifying for relief on that disposal as were, by virtue of paragraph 13 of Schedule 20 to the Finance Act 1985, not chargeable gains.
- (5) Where there are 2 or more earlier disposals and at least one of them took place on or after 6th April 1988, then, for the purposes of sub-paragraph (3)(a)(i) above, the aggregate amount of the underlying gains relieved on all those disposals shall be determined as follows—
- (a) it shall be assumed for the purposes of paragraph (b) below—
 - (i) that the amount which resulted from the calculation under sub-paragraph (3)(a) above on the last of those disposals (“the last disposal”) was the amount of the gains qualifying for relief on that disposal which were, by virtue of this Schedule, not chargeable gains (the “gains actually relieved”);
 - (ii) that the qualifying period appropriate to that disposal (as redetermined where appropriate under paragraph 14 above) was that period as extended in accordance with sub-paragraph (3)(a)(ii) above; and
 - (iii) that the last disposal was the only earlier disposal;
 - (b) there shall then be ascertained in accordance with paragraph 13(1) above (but on the assumptions in paragraph (a) above)—
 - (i) how much of the gains actually relieved would, by virtue of paragraph 13(1)(a) above, not have been chargeable gains; and
 - (ii) how much of those gains would, by virtue of paragraph 13(1)(b) above, not have been chargeable gains; and
 - (c) the aggregate amount of the underlying gains relieved on all the earlier disposals is the sum of—
 - (i) the amount ascertained under paragraph (b)(i) above; and
 - (ii) twice the amount ascertained under paragraph (b)(ii) above.
- (6) In this paragraph “the gains qualifying for relief” has the meaning given by paragraph 13(2) above.
- (7) References in this paragraph to relief given under this Schedule include references to relief given under section 34 of the Finance Act 1965 or section 124 of the 1979 Act; and—
- (a) in relation to relief given under either of those sections, paragraph (b) of sub-paragraph (1) above shall have effect as if, for the words from “which was” onwards, there were substituted “made by the individual”; and

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

- (b) for the purpose of determining the limit in sub-paragraph (3) above where the earlier disposal (or any of the earlier disposals) was a disposal in respect of which relief was given under either of those sections—
 - (i) the underlying gains relieved on that disposal shall (subject to sub-paragraph (5) above) be taken to be gains of an amount equal to the relief given under the section in question in respect of that disposal; and
 - (ii) the reference in sub-paragraph (3)(a)(ii) above to the qualifying period appropriate to the earlier disposal shall be taken to be a reference to the qualifying period within the meaning of the section in question.