



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART IV

SHARES, SECURITIES, OPTIONS ETC.

CHAPTER III

MISCELLANEOUS PROVISIONS RELATING TO
COMMODITIES, FUTURES, OPTIONS AND OTHER SECURITIES

145 Call options: indexation allowance

- (1) This section applies where, on a disposal to which section 53 applies, the relevant allowable expenditure includes both—
 - (a) the cost of acquiring an option binding the grantor to sell (“the option consideration”); and
 - (b) the cost of acquiring what was sold as a result of the exercise of the option (“the sale consideration”),but does not apply in any case where section 114 applies.
- (2) For the purpose of computing the indexation allowance (if any) on the disposal referred to in subsection (1) above—
 - (a) the option consideration and the sale consideration shall be regarded as separate items of expenditure; and
 - (b) subsection (4) of section 54 shall apply to neither of those items and, accordingly, they shall be regarded as incurred when the option was acquired and when the sale took place, respectively.
- (3) This section has effect notwithstanding section 144, but expressions used in this section have the same meaning as in that section and subsection (5) of that section applies for the purpose of determining the cost of acquiring an option binding the grantor to sell.