
Changes to legislation: There are currently no known outstanding effects for the Agriculture Act 1993, Cross Heading: Depreciatory transactions. (See end of Document for details)

SCHEDULES

SCHEDULE 2

PROVISIONS RELATING TO CARRYING OUT OF APPROVED SCHEME OF REORGANISATION

PART I

TAXATION PROVISIONS

Modifications etc. (not altering text)

C1 Sch. 2 Pt. I modified (retrospectively) by 1996 c. 8, s. 203(1)

Depreciatory transactions

- 18 (1) This paragraph applies where—
- (a) by virtue of the occurrence of any of the events to which paragraph 16 above applies (“the relevant event”), one company (“the first company”) would, apart from the provisions of this Part of this Schedule, be treated for the purposes of the taxation of chargeable gains as disposing of, or of an interest in, any shares in, or securities of, another company (“the second company”), and
 - (b) as a result of the occurrence of that event the value of those shares or securities (“the shares or securities concerned”) is materially reduced.
- (2) Section 176 of the ^{M1}Taxation of Chargeable Gains Act 1992 shall apply to any disposal to which sub-paragraph (3), (4) or (5) below applies—
- (a) as if the relevant event were a depreciatory transaction, and
 - (b) if the first company and the second company and, if different, the company which makes the disposal are not, throughout the period beginning with the occurrence of the relevant event and ending with the disposal, members of a group of companies (within the meaning of that section), as if they were.
- (3) This sub-paragraph applies to any disposal by the first company which—
- (a) is a disposal of the asset of which the shares or securities concerned are deemed for the purposes of the Taxation of Chargeable Gains Act 1992 to consist at the time of the event, and
 - (b) is not a disposal which by virtue of any enactment is treated as one on which neither a gain nor a loss accrues to the person making the disposal.
- (4) This sub-paragraph applies to any disposal, by a company to which shares or securities comprised in the asset mentioned in sub-paragraph (3) above are transferred under section 11 above, or in circumstances in which paragraph 3 above applies, which—

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- (a) is a disposal of the asset which those shares or securities are deemed for the purposes of the Taxation of Chargeable Gains Act 1992 to consist of, or to be included in, immediately after the transfer, and
 - (b) is not a disposal which by virtue of any enactment is treated as one on which neither a gain nor a loss accrues to the person making the disposal.
- (5) This sub-paragraph applies to any disposal, by a company which acquires shares or securities on an excepted disposal, which—
- (a) is a disposal of the asset which those shares or securities are deemed for the purposes of the Taxation of Chargeable Gains Act 1992 to consist of, or to be included in, immediately after the acquisition, and
 - (b) is not a disposal which by virtue of any enactment is treated as one on which neither a gain nor a loss accrues to the person making the disposal.
- (6) In sub-paragraph (5) above, the reference to an excepted disposal is to a disposal to which sub-paragraph (3), (4) or (5) above would have applied but for paragraph (b) of that sub-paragraph.
- (7) In this paragraph, “company” has the same meaning as in the Taxation of Chargeable Gains Act 1992.

Marginal Citations

M1 1992 c. 12.

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