



Finance Act 1998

1998 CHAPTER 36

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

TAXATION OF CHARGEABLE GAINS

Pooling and identification of shares etc.

123 Abolition of pooling for CGT

- (1) In subsection (2) of section 104 of the Taxation of Chargeable Gains Act 1992 (cases where share pooling does not apply), before the word “and” at the end of paragraph (a) there shall be inserted—
 - “(aa) does not apply, except for the purposes of corporation tax, to any securities acquired on or after 6th April 1998;”.
- (2) After that subsection there shall be inserted the following subsection—

“(2A) Subsection (2)(aa) above shall not prevent the application of subsection (1) above to any securities that would be treated as acquired on or after 6th April 1998 but for their falling by virtue of section 127 to be treated as the same as securities acquired before that date.”
- (3) In subsection (3) of that section (interpretation), for ““a new holding” is” there shall be substituted ““a section 104 holding” is”.
- (4) For subsection (4) of that section there shall be substituted the following subsection—

“(4) For the purposes of this Chapter securities of a company which are held—
 - (a) by a person who acquired them as an employee of the company or of any other person, and

Status: This is the original version (as it was originally enacted).

(b) on terms which for the time being restrict his right to dispose of them, shall (notwithstanding that they would otherwise fall to be treated as of the same class) be treated as of a different class from any securities acquired by him otherwise than as an employee of the company or of any other person and also from any shares that are not held subject to restrictions, or the same restrictions, on disposal or in the case of which the restrictions are no longer in force.”

- (5) In the following enactments for the words “new holding”, wherever they occur, there shall be substituted “section 104 holding”, namely—
- (a) in section 440A of the Taxes Act 1988 (securities held by insurance companies); and
 - (b) in sections 104(6), 107 and 110 of the Taxation of Chargeable Gains Act 1992.
- (6) The preceding provisions of this section have effect in relation to any disposal on or after 6th April 1998 of any securities (whenever acquired).
- (7) The powers of the Treasury to make provision by regulations under one or both of—
- (a) section 333 of the Taxes Act 1988 (regulations providing for exemptions in respect of investment plans), and
 - (a) section 151 of the Taxation of Chargeable Gains Act 1992 (capital gains tax and investment plans),

shall include power to provide, to such extent as appears to them to be appropriate for purposes connected with the enactment of this section and section 124 below, for any provision contained in any such regulations to have effect retrospectively in relation to such times falling on or after 17th March 1998 as may be specified in the regulations.