

## SCHEDULES

### SCHEDULE 9

#### CHARGEABLE GAINS: SHARE EXCHANGES AND COMPANY RECONSTRUCTIONS

#### PART 2

#### CONSEQUENTIAL AMENDMENTS

##### *Taxation of Chargeable Gains Act 1992*

- 5 (1) The Taxation of Chargeable Gains Act 1992 (c. 12) is amended as follows.
- (2) In section 31 (distributions within a group followed by a disposal of shares), for subsection (6)(b) substitute—
- “(b) an exchange, or deemed exchange, of shares in or debentures of a company held by company A for shares in or debentures of another company, being a company associated with company A immediately after the transaction, that is treated by virtue of section 135 or 136 as a reorganisation of share capital within the meaning of section 126 to which sections 127 to 131 apply with the necessary adaptations, or”.
- (3) In section 34 (transactions treated as a reorganisation of capital)—
- (a) in subsections (1)(a), (1A), (1B) and (1C)(a) for “sections 127 and 135(3)” substitute “section 135 or 136”;
- (b) in the closing words of subsection (1) for “section 135(3)” substitute “section 135 or 136”; and
- (c) in subsection (2) for the words from the beginning to “and in those subsections” substitute “In subsections (1) to (1C)” (the words omitted being unnecessary).
- (4) In section 102 (collective investment schemes with property divided into separate parts), in subsection (3)(b) after “135” insert “or 136”.
- (5) In section 137 (restriction on application of sections 135 and 136)—
- (a) in subsection (1), for “, reconstruction or amalgamation” substitute “or scheme of reconstruction”; and
- (b) in subsection (6), for “section 136(3)” substitute “section 135(5), 136(5)”.
- (6) In section 138(1) (procedure for clearance in advance), for “, reconstruction or amalgamation” substitute “or scheme of reconstruction”.
- (7) In section 139 (reconstruction involving transfer of business), for subsection (9) substitute—
- “(9) In this section “scheme of reconstruction” has the same meaning as in section 136.”.

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*Status: This is the original version (as it was originally enacted).*

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- (8) In section 147 (quoted options treated as part of new holdings)—
- (a) in subsection (1) for “or amalgamation” substitute “, exchange or scheme of reconstruction”; and
  - (b) in subsection (2) at the end insert “and “scheme of reconstruction” has the same meaning as in section 136”.
- (9) In section 151B (venture capital trusts: supplementary), in subsection (8) for paragraph (c) substitute—
- “(c) a reference to the exchanged holding is, in relation to section 135 or 136, to the shares in the company referred to in that section as company A.”.
- (10) In section 171(3) (transfers within a group) for “by virtue of sections 127 and 135” substitute “by section 127 as it applies by virtue of section 135”.
- (11) In section 211(2)(a) (transfer of long-term business of insurance company), after “scheme of reconstruction” insert “within the meaning of that section”.
- (12) In section 251 (debts: general provisions)—
- (a) in subsection (2) for “132 and 135” substitute “132, 135 and 136”;
  - (b) in subsection (3)—
    - (i) for “132 and 135” substitute “132, 135 and 136”, and
    - (ii) for “either section 132 or 135” substitute “section 132, 135 or 136”;
  - (c) in subsection (6)(b) for the words from “unaffected” to the end substitute “to which section 135 applies and which is unaffected by section 137(1)”.
- (13) In Schedule A1 (taper relief), in paragraph 18(1)(b) (special rules for assets acquired in the reconstruction of mutual businesses etc) for “subsection (3)” substitute “subsection (2)(a)”.
- (14) In Schedule 6 (retirement relief: supplementary provisions), in paragraph 2(2) for “section 135(3)” substitute “section 135 or 136”.