

*Status: Point in time view as at 08/04/2010.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2010, SCHEDULE 7. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 7

Section 31

#### GIFTS OF SHARES ETC TO CHARITIES

##### *Gifts by individuals*

- 1 Chapter 3 of Part 8 of ITA 2007 (relief for gifts by individuals of shares, securities and real property to charities etc) is amended as follows.
- 2 (1) Section 437 (value of net benefit to charity) is amended as follows.
  - (2) In subsection (1), for “market” (in both places) substitute “relevant”.
  - (3) After that subsection insert—
    - “(1A) In subsection (1) “relevant value” means—
      - (a) where subsection (1B) applies, the lower of the market value and the acquisition value, and
      - (b) otherwise, the market value.
    - (1B) This subsection applies where—
      - (a) the qualifying investment, or anything from which it derives or which it represents (whether in whole or in part and whether directly or indirectly), was acquired by the individual making the disposal within the period of 4 years ending with the day on which the disposal is made,
      - (b) the acquisition was made as part of a scheme, and
      - (c) the main purpose, or one of the main purposes, of the individual in entering into the scheme was to obtain relief, or an increased amount of relief, under this Chapter.
    - (1C) In subsection (1B) “scheme” includes any scheme, arrangement or understanding of any kind, whether or not legally enforceable, involving a single transaction or two or more transactions.”
  - (4) In subsection (2), after the entry relating to section 438 insert— “ section 438A (acquisition value of qualifying investments), ”.
- 3 After section 438 insert—

##### **“438A Acquisition value of qualifying investments**

- (1) For the purposes of this Chapter the acquisition value of a qualifying investment disposed of by an individual is—
  - (a) where the qualifying investment was acquired by the individual within the period of 4 years ending with the day on which the disposal is made, the cost to the individual of acquiring it, or

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- (b) where something from which the qualifying investment derives or which it represents was so acquired, such proportion of the cost to the individual of acquiring that thing as is just and reasonable to attribute to the qualifying investment.
  - (2) A reference in subsection (1) to the cost to the individual of an acquisition is to—
    - (a) the consideration given by the individual for the acquisition, less
    - (b) any amount that is received in connection with the acquisition, by the individual or a person connected with the individual, as part of the scheme in question.”
- 4 In Schedule 4 to ITA 2007 (index of defined expressions), after the entry relating to accumulated or discretionary income insert—

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“acquisition value of a qualifying investment (in section 438A”.  
 Chapter 3 of Part 8)

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*Gifts by companies*

- 5 Chapter 3 of Part 6 of CTA 2010 (charitable donations relief: amounts treated as qualifying charitable donations) is amended as follows.
- 6 (1) Section 209 (value of net benefit to charity) is amended as follows.
- (2) In subsection (1), for “market” (in both places) substitute “ relevant ”.
- (3) After that subsection insert—
- “(1A) In subsection (1) “relevant value” means—
- (a) where subsection (1B) applies, the lower of the market value and the acquisition value, and
  - (b) otherwise, the market value.
- (1B) This subsection applies where—
- (a) the qualifying investment, or anything from which it derives or which it represents (whether in whole or in part and whether directly or indirectly), was acquired by the company making the disposal within the period of 4 years ending with the day on which the disposal is made,
  - (b) the acquisition was made as part of a scheme, and
  - (c) the main purpose, or one of the main purposes, of the company in entering into the scheme was to obtain relief, or an increased amount of relief, as a result of this Chapter.
- (1C) In subsection (1B) “scheme” includes any scheme, arrangement or understanding of any kind, whether or not legally enforceable, involving a single transaction or two or more transactions.”
- (4) In subsection (2), after paragraph (a) insert—
- “(aa) section 210A (acquisition value of qualifying investments),”.
- 7 After section 210 insert—

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### **“210A Acquisition value of qualifying investments**

- (1) For the purposes of this Chapter the acquisition value of a qualifying investment disposed of by a company is—
- (a) where the qualifying investment was acquired by the company within the period of 4 years ending with the day on which the disposal is made, the cost to the company of acquiring it, or
  - (b) where something from which the qualifying investment derives or which it represents was so acquired, such proportion of the cost to the company of acquiring that thing as is just and reasonable to attribute to the qualifying investment.
- (2) A reference in subsection (1) to the cost to the company of an acquisition is to—
- (a) the consideration given by the company for the acquisition, less
  - (b) any amount that is received in connection with the acquisition, by the company or a person connected with it, as part of the scheme in question.”

8 In Schedule 4 to CTA 2010 (index of defined expressions), after the entry relating to accounts (in Chapter 2 of Part 16) insert—

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“acquisition value of a qualifying investment (in section 210A”.  
Chapter 3 of Part 6)

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#### *Commencement and corresponding ICTA amendments*

- 9 The amendments made by this Schedule have effect in relation to any disposal made to a charity on or after 15 December 2009.
- 10 Amendments corresponding to the ones made by paragraphs 6 and 7, having effect in relation to any such disposal, are to be treated as having been made in section 587B of ICTA.

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