



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART V

TRANSFER OF BUSINESS ASSETS^[F1], ^[F1]BUSINESS ASSET DISPOSAL RELIEF] AND INVESTORS' RELIEF]

^[F1]CHAPTER 5

INVESTORS' RELIEF

Qualifying shares

^[F1]169VB Qualifying shares, potentially qualifying shares and excluded shares

- (1) Where there is a disposal of all or part of (or of an interest in) a holding of shares in a company, this section applies to determine whether a share which is in the holding at the time immediately before the disposal (“the relevant time”) is for the purposes of this Chapter—
 - (a) a qualifying share,
 - (b) a potentially qualifying share, or
 - (c) an excluded share.
- (2) The share is a “qualifying share” at the relevant time if—
 - (a) the share was subscribed for, within the meaning given by section 169VU, by the person making the disposal (“the investor”),
 - (b) the investor has held the share continuously for the period beginning with the issue of the share and ending with the relevant time (“the share-holding period”),
 - (c) the share was issued on or after 17 March 2016,
 - (d) at the time the share was issued, none of the shares or securities of the company that issued it were listed on a recognised stock exchange,

Changes to legislation: *Taxation of Chargeable Gains Act 1992, Section 169VB is up to date with all changes known to be in force on or before 13 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (e) the share was an ordinary share when issued and is an ordinary share at the relevant time,
 - (f) the company that issued the share—
 - (i) was a trading company or the holding company of a trading group (as defined by section 169VV) when the share was issued, and
 - (ii) has been so throughout the share-holding period,
 - (g) at no time in the share-holding period was the investor or a person connected with the investor a relevant employee in respect of that company (within the meaning given by section 169VW), and
 - (h) the period beginning with the date the share was issued and ending with the date of the disposal is at least 3 years.
- (3) The share is a “potentially qualifying share” at the relevant time if—
- (a) the conditions in subsection (2)(a) to (g) are met, but
 - (b) the period beginning with the date the share was issued and ending with the date of the disposal is less than 3 years.
- (4) The share is an “excluded share” at the relevant time if it is, at that time—
- (a) not a qualifying share, and
 - (b) not a potentially qualifying share.
- (5) This section is subject to Schedule 7ZB (disqualification of share where value received by investor).
- (6) In relation to a share issued on or after 17 March 2016 but before 6 April 2016, any reference in subsection (2)(h) or (3) to “3 years” is to be read as a reference to the minimum period.
- (7) In subsection (6) “the minimum period” means the period of 3 years extended by a period equal in length to the period beginning with the date the share was issued and ending with 5 April 2016.]

Textual Amendments

F1 Pt. 5 Ch. 5 inserted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), [Sch. 14 para. 2](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by [S.I. 2008/3068](#), art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by [S.I. 1989/469](#), reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by [S.I. 1989/469](#), reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)