

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992), SCHEDULE 5. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 5 **U.K.**

Section 28(3).

#### ASSETS HELD ON 6TH APRIL 1965

##### **Modifications etc. (not altering text)**

- C1** See— Capital Gains Tax Act 1979 (c. 14), s. 123A; Finance (No. 2) Act 1983 (c. 49), s. 7(5); Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), Sch. 29; Finance Act 1988 (c. 39, SIF 63:1, 2), s. 96(3); Trustee Savings Banks Act 1985 (c. 58, SIF 110), s. 5 and Sch. 2 para. 2(2)
- C2** Sch. 5 modified by Finance Act 1990 (c. 29, SIF 63:1), s. 80, Sch. 12 para. 2(1)

### PART I **U.K.**

#### QUOTED SECURITIES

##### *Deemed acquisition at 6th April 1965 value*

- 1 (1) This paragraph applies—
- (a) to shares and securities which on 6th April 1965 have quoted market values on a recognised stock exchange in the United Kingdom or elsewhere, or which have had such quoted market values at any time in the period of six years ending on 6th April 1965, and
  - (b) to rights of unit holders in any unit trust scheme the prices of which are published regularly by the managers of the scheme.
- (2) For the purposes of this Act it shall be assumed, wherever relevant, that any assets to which this paragraph applies were sold by the owner, and immediately re-acquired by him, at their market value on 6th April 1965.
- (3) This paragraph shall not apply in relation to a disposal of shares or securities of a company by a person to whom those shares or securities were issued as an employee either of the company or of some other person on terms which restrict his rights to dispose of them.

##### *Restriction of gain or loss by reference to actual cost*

- 2 (1) Subject to the rights of election conferred by paragraphs 4 to 7 below, paragraph 1(2) above shall not apply in relation to a disposal of assets—
- (a) if on the assumption in paragraph 1(2) a gain would accrue on that disposal to the person making the disposal and either a smaller gain or a loss would

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so accrue (computed in accordance with Chapter II of Part II) if paragraph 1(2) did not apply, or

- (b) if on the assumption in paragraph 1(2) a loss would so accrue and either a smaller loss or a gain would accrue if paragraph 1(2) did not apply,

and accordingly the amount of the gain or loss accruing on the disposal shall be computed without regard to the preceding provisions of this Schedule except that in a case where this sub-paragraph would otherwise substitute a loss for a gain or a gain for a loss it shall be assumed, in relation to the disposal, that the relevant assets were sold by the owner, and immediately re-acquired by him, for a consideration such that, on the disposal, neither a gain nor a loss accrued to the person making the disposal.

- (2) For the purpose of—

- (a) identifying shares or securities held on 6th April 1965 with shares or securities previously acquired, and
- (b) identifying the shares or securities held on that date with shares or securities subsequently disposed of, and distinguishing them from shares or securities acquired subsequently,

so far as that identification is needed for the purposes of sub-paragraph (1) above, and so far as the shares or securities are of the same class, shares or securities acquired at [<sup>F1</sup>a later time] shall be deemed to be disposed of before shares or securities acquired at [<sup>F1</sup>an earlier time].

- (3) Sub-paragraph (2) above has effect subject to section 66 of this Act (disposal on or before day of acquisition).

#### Textual Amendments

- F1** Words substituted by [Finance Act 1982 \(c. 39, SIF 63:2\)](#), [s. 88\(8\)](#) and Sch. 13 para. 11 with respect to securities acquired before 6 April 1982 or in the case of a company, 1 April 1982

#### Modifications etc. (not altering text)

- C3** See also [Finance Act 1985 \(c. 54\)](#), [s. 68\(3\)\(a\)](#) and Sch. 19 para. 6(3)

#### *Exclusion of pooling*

- 3 (1) Subject to the rights of election conferred by paragraphs 4 to 7 below, section 65 of this Act (pooling of shares and other assets) shall not apply to quoted securities held on 6th April 1965.

- (2) Where—

- (a) a disposal was made out of quoted securities before 20th March 1968 (that is to say before the date on which the provisions re-enacted in sub-paragraph (1) above took effect), and
- (b) by virtue of paragraph 2 of Schedule 7 to the <sup>M1</sup>Finance Act 1965 (re-enacted as section 65 of this Act) some of the quoted securities out of which the disposal was made were acquired before 6th April 1965, and some later

then in computing the gain accruing on any disposal of quoted securities the question of what remained undisposed of on the earlier disposal shall be decided on the footing that sub-paragraph (1) above had effect as respects that earlier disposal.

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- (3) The rules of identification in paragraph 2(2) above shall apply for the purposes of this paragraph as they apply for the purposes of the said paragraph 2.

**Marginal Citations**

**M1** 1965 c. 25.

*Election for pooling*

- 4 (1) If a person so elects, quoted securities covered by the election shall be excluded from paragraphs 2 and 3 above (so that neither paragraph 1(2) above nor section 65 of this Act is excluded by those paragraphs as respects those securities).
- (2) An election made by any person under this paragraph shall be as respects all disposals made by him at any time, including disposals made before the election but after 19th March 1968—
- (a) of quoted securities of kinds other than fixed-interest securities and preference shares, or
  - (b) of fixed-interest securities and preference shares,
- and references to the quoted securities covered by an election shall be construed accordingly.
- Any person may make both of the elections.
- (3) An election under this paragraph shall not cover quoted securities which the holder acquired on a disposal after 19th March 1968 in relation to which either of the following enactments (which secure that neither a gain nor a loss accrues on the disposal) applies, that is—
- (a) section 44 of this Act (disposals between husband and wife),
  - (b) section 273(1) of [F<sup>2</sup>the Taxes Act 1970] (disposals within a group of companies),
- but this paragraph shall apply to the quoted securities so held if the person making the original disposal (that is to say the wife or husband of the holder, or the other member of the group of companies) makes an election covering quoted securities of the kind in question.
- For the purpose of identifying quoted securities disposed of by the holder with quoted securities acquired by him on a disposal in relation to which either of the said enactments applies, so far as they are of the same class, quoted securities acquired at an earlier time shall be deemed to be disposed of before quoted securities acquired at a later time.
- (4) For the avoidance of doubt it is hereby declared—
- (a) that where a person makes an election under this paragraph as respects quoted securities which he holds in one capacity, that election does not cover quoted securities which he holds in another capacity, and
  - (b) that an election under this paragraph is irrevocable.
- (5) An election under this paragraph shall be made by notice in writing to the inspector not later than the expiration of two years from the end of the year of assessment or

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accounting period of a company in which the first relevant disposal is made, or such further time as the Board may allow.

- (6) Subject to paragraph 5 below, in this paragraph the “first relevant disposal”, in relation to each of the elections referred to in sub-paragraph (2) of this paragraph, means the first disposal after 19th March 1968 by the person making the election of quoted securities of the kind covered by that election.
- (7) All such adjustments shall be made, whether by way of discharge or repayment of tax, or the making of assessments or otherwise, as are required to give effect to an election under this paragraph.

#### Textual Amendments

**F2** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 15](#)

#### Modifications etc. (not altering text)

**C4** See [Finance Act 1985 \(c. 54\)](#), [s. 68\(3\)\(a\)](#) and Sch. 19 para. 6(4)

#### *Election by principal company of group*

- 5 (1) In the case of companies which at the relevant time are members of a group of companies—
- (a) an election under paragraph 4 above by the company which at that time is the principal company of the group shall have effect also as an election by any other company which at that time is a member of the group, and
  - (b) no election under that paragraph may be made by any other company which at that time is a member of the group.
- (2) In this paragraph “the relevant time”, in relation to a group of companies, and in relation to each of the elections referred to in paragraph 4(2) above, is the first occasion after 19th March 1968 when any company which is then a member of a group disposes of quoted securities of a kind covered by that election, and for the purposes of paragraph 4(5) above that occasion is, in relation to the group, “the first relevant disposal”.
- (3) This paragraph shall not apply in relation to quoted securities of either kind referred to in paragraph 4(2) above which are owned by a company which, in some period after 19th March 1968 and before the relevant time, was not a member of the group if in that period it had made an election under paragraph 4 above in relation to securities of that kind (or was treated by virtue of this paragraph, in relation to another group, as having done so), or had made a disposal of quoted securities of that kind and did not make an election within the time limited by paragraph 4(5) above.
- (4) This paragraph shall apply notwithstanding that a company ceases to be a member of the group at any time after the relevant time.
- (5) In this paragraph “company” and “group” shall be construed in accordance with subsections (1) and (2) of section 272 of [<sup>F3</sup>the Taxes Act 1970].

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**Textual Amendments**

**F3** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **Sch. 29 para. 15**

**Modifications etc. (not altering text)**

**C5** See [Finance Act 1985 \(c. 54\)](#), **s. 68(3)(a)** and Sch. 19 para. 6(4)

*Pooling at value on 6th April 1965: exchange of securities etc.*

- 6
- (1) Where a person who has made only one of the elections under paragraph 4 above disposes of quoted securities which, in accordance with Chapter II of Part IV of this Act, are to be regarded as being or forming part of a new holding, the election shall apply according to the nature of the quoted securities disposed of, notwithstanding that under the said Chapter the new holding is to be regarded as the same asset as the original holding and that the election would apply differently to the original holding.
  - (2) Where the election does not cover the disposal out of the new holding, but does cover quoted securities of the kind comprised in the original holding, then in computing the gain accruing on the disposal out of the new holding (in accordance with paragraph 3 above) the question of what remained undisposed of on any disposal out of the original holding shall be decided on the footing that paragraph 3 above applied to that earlier disposal.
  - (3) In the case converse to that in sub-paragraph (2) above (that is to say where the election covers the disposal out of the new holding, but does not cover quoted securities of the kind comprised in the original holding) the question of how much of the new holding derives from quoted securities held on 6th April 1965, and how much derives from other quoted securities, shall be decided as it is decided for the purposes of paragraph 3 above.

**Modifications etc. (not altering text)**

**C6** See [Finance Act 1985 \(c. 54\)](#), **s. 68(3)(a)** and Sch. 19 para. 6(4)

*Underwriters*

- 7
- No election under paragraph 4 above shall cover quoted securities comprised in any underwriter's premiums trust fund, or premiums trust fund deposits, or personal reserves, being securities comprised in funds to which section 142 of this Act applies.

**Modifications etc. (not altering text)**

**C7** See [Finance Act 1985 \(c. 54\)](#), **s. 68(3)(a)** and Sch. 19 para. 6(4)

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*Interpretation of paragraphs 3 to 7*

- 8 (1) In paragraphs 3 to 7 above—
- “quoted securities” means assets to which paragraph 1 above applies,
- “fixed interest security” means any security as defined by section 82 of this Act,
- “preference share” means any share the holder whereof has a right to a dividend at a fixed rate, but has no other right to share in the profits of the company.
- (2) If and so far as the question whether at any particular time a share was a preference share depends on the rate of dividends payable on or before 5th April 1973, the reference in the definition of “preference share” in sub-paragraph (1) above to a dividend at a fixed rate includes a dividend at a rate fluctuating in accordance with the standard rate of income tax.

**Modifications etc. (not altering text)**

**C8** See Finance Act 1985 (c. 54), s. 68(3)(a) and Sch. 19 para. 6(4)

**PART II U.K.**

LAND REFLECTING DEVELOPMENT VALUE

*Valuation at 6th April 1965*

- 9 (1) This paragraph shall apply in relation to a disposal of an asset which is an interest in land situated in the United Kingdom—
- (a) if, but for this paragraph, the expenditure allowable as a deduction in computing under Chapter II of Part II of this Act the gain accruing on the disposal would include any expenditure incurred before 6th April 1965, and
- (b) if the consideration for the asset acquired on the disposal exceeds the current use value of the asset at the time of the disposal, or if any material development of the land has been carried out after 17th December 1973 since the person making the disposal acquired the asset.
- (2) For the purposes of this Act, including Chapter II of Part II, it shall be assumed in relation to the disposal and, if it is a part disposal, in relation to any subsequent disposal of the asset which is an interest in land situated in the United Kingdom that that asset was sold by the person making the disposal, and immediately reacquired by him, at its market value on 6th April 1965.
- (3) Sub-paragraph (2) above shall apply also in relation to any prior part disposal of the asset and, if tax has been charged, or relief allowed, by reference to that part disposal on a different footing, all such adjustments shall be made, whether by way of assessment or discharge or repayment of tax, as are required to give effect to the provisions of this sub-paragraph.
- (4) Sub-paragraph (2) above shall not apply in relation to a disposal of assets—

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- (a) if on the assumption in that sub-paragraph a gain would accrue on that disposal to the person making the disposal and either a smaller gain or a loss would so accrue (computed in accordance with the provisions of Chapter II of Part II of this Act) if the said sub-paragraph (2) did not apply, or
- (b) if on the assumption in the said sub-paragraph (2) a loss would so accrue and either a smaller loss or a gain would accrue if the said sub-paragraph (2) did not apply,

and accordingly the amount of the gain or loss accruing on the disposal shall be computed without regard to the provisions of this Schedule except that in a case where this sub-paragraph would otherwise substitute a loss for a gain or a gain for a loss it shall be assumed, in relation to the disposal, that the relevant assets were sold by the owner, and immediately re-acquired by him, for a consideration such that, on the disposal, neither a gain nor a loss accrued to the person making the disposal.

(5) For the purposes of this paragraph—

- (a) “interest in land” has the meaning given by section 44(1) of the <sup>M2</sup>Finance Act 1974,
- (b) “material development” has the meaning given by paragraph 6 of Schedule 3 to the <sup>M3</sup>Finance Act 1974,
- (c) the current use value of an interest in land shall be computed in accordance with Part I of the said Schedule 3, but so that, in relation to any material development which was begun before 18th December 1973, sub-paragraph (2) of paragraph 1 of that Schedule (definition of current use value) shall have effect as if the words from “other than” to the end of the sub-paragraph (which allow for the completion of duly authorised material development already begun) were omitted,
- (d) paragraph 9 of the said Schedule 3 (date when material development is begun) shall apply as it applies for the purposes of that Schedule, and
- (e) paragraph 14 of the said Schedule 3 (meaning of material development “carried out after” a particular date) shall apply as it applies for the purposes of paragraphs 11 to 13 of that Schedule.

**Marginal Citations**

**M2** 1974 c. 30.

**M3** 1974 c. 30.

*Allowance for betterment levy*

10 Paragraph 9(1) above has effect subject to paragraph 21(2) of Schedule 6 to this Act (valuation at 6th April 1965 on a claim under that paragraph).

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### PART III U.K.

#### OTHER ASSETS

*Apportionment by reference to straightline growth of gain or loss over period of ownership*

- 11 (1) This paragraph applies subject to Parts I and II of this Schedule.
- (2) On the disposal of assets by a person whose period of ownership began before 6th April 1965 only so much of any gain accruing on the disposal as is under this paragraph to be apportioned to the period beginning with 6th April 1965 shall be a chargeable gain.
- (3) Subject to the following provisions of this Schedule, the gain shall be assumed to have grown at a uniform rate from nothing at the beginning of the period of ownership to its full amount at the time of the disposal so that, calling the part of that period before 6th April 1965, P, and the time beginning with 6th April 1965 and ending with the time of the disposal T, the fraction of the gain which is a chargeable gain is

$$E(0) \frac{T}{P+T} + E(1) \frac{T}{P(1)+T} + E(2) \frac{T}{P(2)+T}$$

- (4) If any of the expenditure which is allowable as a deduction in the computation under Chapter II of Part II of this Act of the gain is within section 32(1)(b) of this Act—
- the gain shall be attributed to the expenditure, if any, allowable under paragraph (a) of the said section 32(1) as one item of expenditure, and to the respective items of expenditure under the said section 32(1)(b) in proportion to the respective amounts of those items of expenditure,
  - sub-paragraph (3) of this paragraph shall apply to the part of the gain attributed to the expenditure under the said section 32(1)(a),
  - each part of the gain attributed to the items of expenditure under the said section 32(1)(b) shall be assumed to have grown at a uniform rate from nothing at the time when the relevant item of expenditure was first reflected in the value of the asset to the full amount of that part of the gain at the time of the disposal,

so that, calling the respective proportions of the gain E(0), E(1), E(2) and so on (so that they add up to unity) and calling the respective periods from the times when the items under the said section 32(1)(b) were reflected in the value of the asset to 5th April 1965 P(1), P(2) and so on, and employing also the abbreviations in sub-paragraph (3) above, the fraction of the gain which is a chargeable gain is

$$E(0) \frac{T}{P+T} + E(1) \frac{T}{P(1)+T} + E(2) \frac{T}{P(2)+T}$$

and so on.



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- (5) In a case within sub-paragraph (4) above where there is no initial expenditure (that is no expenditure under section 32(1)(a) of this Act) or that initial expenditure is, compared with any item of expenditure under section 32(1)(b), disproportionately small having regard to the value of the asset immediately before the subsequent item of expenditure was incurred, the part of the gain which is not attributable to the enhancement of the value of the asset due to any item of expenditure under the said section 32(1)(b) shall be deemed to be attributed to expenditure incurred at the beginning of the period of ownership and allowable under section 32(1)(a), and the part or parts of the gain attributable to expenditure under section 32(1)(b) shall be reduced accordingly.
- (6) The beginning of the period over which a gain, or a part of a gain, is, under sub-paragraphs (3) and (4) above, to be treated as growing shall not be earlier than 6th April 1945, and this sub-paragraph shall have effect notwithstanding any provision in this Schedule or elsewhere in this Act.
- (7) If in pursuance of section 35 of this Act (part disposals) an asset's market value at a date before 6th April 1965 is to be ascertained sub-paragraphs (3) to (5) above shall have effect as if that asset had been on that date sold by the owner, and immediately re-acquired by him, at that market value.
- (8) If in pursuance of section 35 of this Act an asset's market value at a date on or after 6th April 1965 is to be ascertained sub-paragraphs (3) to (5) above shall have effect as if—
  - (a) the asset on that date had been sold by the owner, and immediately re-acquired by him, at that market value, and
  - (b) accordingly, the computation of any gain on a subsequent disposal of that asset shall be computed—
    - (i) by apportioning in accordance with this paragraph the gain or loss over a period ending on the said date (the date of the part disposal), and
    - (ii) by bringing into account the entire gain or loss over the period from the date of the part disposal to the date of subsequent disposal.
- (9) For the purposes of this paragraph the period of ownership of an asset shall, where under section 36 of this Act (assets derived from other assets) account is to be taken of expenditure in respect of an asset from which the asset disposed of was derived, or where it would so apply if there were any relevant expenditure in respect of that other asset, include the period of ownership of that other asset.
- (10) If under this paragraph part only of a gain is a chargeable gain, the fraction in 102(2) of this Act (private residences: amount of relief) shall be applied to that part, instead of to the whole of the gain.

**Modifications etc. (not altering text)**

**C9** See Finance Act 1988 (c. 39, SIF 63;1, 2), s. 96 and Sch. 8 para. 10

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*Election for valuation at 6th April 1965*

- 12 (1) If the person making a disposal so elects paragraph 11 of this Schedule shall not apply in relation to that disposal and it shall be assumed, both for the purposes of computing under Chapter II of Part II of this Act the gain accruing to that person on the disposal, and for all other purposes both in relation to that person and other persons, that the assets disposed of, and any assets of which account is to be taken in relation to the disposal under section 36 of this Act, being assets which were in the ownership of the said person on 6th April 1965, were on that date sold, and immediately re-acquired, by him at their market value on the said 6th April 1965.
- (2) Sub-paragraph (1) above shall not apply in relation to a disposal of assets if on the assumption in that sub-paragraph a loss would accrue on that disposal to the person making the disposal and either a smaller loss or a gain would accrue if the said sub-paragraph (1) did not apply, but in a case where this sub-paragraph would otherwise substitute a gain for a loss it shall be assumed, in relation to the disposal, that the relevant assets were sold by the owner, and immediately re-acquired by him, for a consideration such that, on the disposal, neither a gain nor a loss accrued to the person making the disposal.
- The displacement of sub-paragraph (1) above by this sub-paragraph shall not be taken as bringing paragraph 11 above into operation.
- (3) An election under this paragraph shall be made by notice in writing to the inspector given within two years from the end of the year of assessment or accounting period of a company in which the disposal is made or such further time as the Board may by notice in writing allow.
- (4) For the avoidance of doubt it is hereby declared that an election under this paragraph is irrevocable.
- (5) An election may not be made under this paragraph as respects, or in relation to, an asset the market value of which at a date on or after 6th April 1965, and before the date of the disposal to which the election relates, is to be ascertained in pursuance of section 35 of this Act (part disposals).

**Modifications etc. (not altering text)**

**C10** See [Trustee Savings Banks Act 1985 \(c. 58, SIF 110\)](#), [s. 5](#) and Sch. 2 para. 3(2) for calculation of the market value of shares in successors to existing banks acquired by new holding companies under that Act for the purposes of [Capital Gains Tax Act 1979 \(c. 14\)](#), [Sch. 5 para. 12](#)

*Unquoted shares, commodities, etc.*

- 13 (1) This paragraph has effect as respects shares held by any person on 6th April 1965 other than shares which are to be treated under this Act as if disposed of and immediately re-acquired by him on that date.
- (2) Section 65 of this Act (pooling of shares and other assets) shall not apply in relation to the shares while that person continues to hold them and, in particular, shall not apply in relation to a disposal of the shares by him.

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- (3) For the purpose of—
- (a) identifying the shares so held on 6th April 1965 with shares previously acquired, and
  - (b) identifying the shares so held on that date with shares subsequently disposed of, and distinguishing them from shares acquired subsequently,
- so far as the shares are of the same class shares bought at [<sup>F4</sup>a later time] shall be deemed to have been disposed of before shares bought at [<sup>F4</sup>an earlier time].
- (4) Sub-paragraph (3) above has effect subject to section 66 of this Act (disposal on or before day of acquisition).
- (5) Shares shall not be treated for the purposes of this paragraph as being of the same class unless if dealt with on a recognised stock exchange in the United Kingdom or elsewhere they would be so treated, but shall be treated in accordance with this paragraph notwithstanding that they are identified in a different way by a disposal or by the transfer or delivery giving effect to it.
- (6) This paragraph, without sub-paragraph (5), shall apply in relation to any assets, other than shares, which are of a nature to be dealt with without identifying the particular assets disposed of or acquired.

#### Textual Amendments

- F4** Words substituted by [Finance Act 1982 \(c. 39, SIF 63:2\)](#), [s. 88\(8\)](#) and Sch. 13 para. 11 with respect to securities acquired before 6 April 1982 or in the case of a company, 1 April 1982

#### *Reorganisation of share capital, conversion of securities, etc.*

- 14 (1) For the purposes of this Act, including Chapter II of Part II, it shall be assumed that any shares or securities held by a person on 6th April 1965 (identified in accordance with paragraph 13 above) which, in accordance with Chapter II of Part IV of this Act, are to be regarded as being or forming part of a new holding were sold and immediately re-acquired by him on 6th April 1965 at their market value on that date.
- (2) If, at any time after 5th April 1965, a person comes to have, in accordance with the said Chapter II of Part IV, a new holding sub-paragraphs (3) to (5) of paragraph 11 above shall have effect as if—
- (a) the new holding had at that time been sold by the owner, and immediately re-acquired by him, at its market value at that time, and
  - (b) accordingly, the amount of any gain on a disposal of the new holding or any part of it shall be computed—
    - (i) by apportioning in accordance with paragraph 11 above the gain or loss over a period ending at the said time, and
    - (ii) by bringing into account the entire gain or loss over the period from that time to the date of the disposal.
- (3) This paragraph shall not apply in relation to a reorganisation of a company's share capital if the new holding differs only from the original shares in being a different number, whether greater or less, of shares of the same class as the original shares.

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## PART IV U.K.

### MISCELLANEOUS

#### *Capital allowances*

- 15 If under any provision in this Schedule it is to be assumed that any asset was on 6th April 1965 sold by the owner, and immediately re-acquired by him, sections 34 and 39 of this Act (restriction of losses by reference to capital allowances, and wasting assets qualifying for capital allowances) shall apply in relation to any capital allowance or renewals allowance made in respect of the expenditure actually incurred by the owner in providing the asset, and so made for the year 1965-66 or for any subsequent year of assessment, as if it were made in respect of the expenditure which, on the said assumption, was incurred by him in re-acquiring the asset on 7th April 1965.

#### *Assets transferred to close companies*

- 16 (1) This paragraph has effect where—
- (a) at any time, including a time before 7th April 1965, any of the persons having control of a close company, or any person who is connected with a person having control of a close company, has transferred assets to the company, and
  - (b) paragraph 11 above applies in relation to a disposal by one of the persons having control of the company of shares or securities in the company, or in relation to a disposal by a person having, up to the time of disposal, a substantial holding of shares or securities in the company, being in either case a disposal after the transfer of the assets.
- (2) So far as the gain accruing to the said person on the disposal of the shares is attributable to a profit on the assets so transferred, the period over which the gain is to be treated under paragraph 11 above as growing at a uniform rate shall begin with the time when the assets were transferred to the company, and accordingly a part of a gain attributable to a profit on assets transferred on or after 6th April 1965 shall all be a chargeable gain.
- (3) This paragraph shall not apply where a loss, and not a gain, accrues on the disposal.

#### *Husbands and wives*

- 17 Where section 44 of this Act is applied in relation to a disposal of an asset by a man to his wife, or by a man's wife to him, then in relation to a subsequent disposal of the asset (not within section 44) the one making the disposal shall be treated for the purposes of this Schedule as if the other's acquisition or provision of the asset had been his or her acquisition or provision of it.

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*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992), SCHEDULE 5. (See end of Document for details)*

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### *Compensation and insurance money*

- 18       Where section 21(4)(a) of this Act applies to exclude a gain which, in consequence of this Schedule, is not all chargeable gain, the amount of the reduction to be made under section 21(4)(b) (corresponding reduction in allowable expenditure in respect of new asset) shall be the amount of the chargeable gain and not the whole amount of the gain; and in section 21(5)(b) of this Act (corresponding reduction in allowable expenditure in respect of the new asset where part only of the consideration in respect of the old asset has been applied as such expenditure) for the reference to the amount by which the gain is reduced under section 21(5)(a) there shall be substituted a reference to the amount by which the chargeable gain is proportionately reduced under the said section 21(5)(a).

**Status:**

Point in time view as at 01/02/1991.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992), SCHEDULE 5.