

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992), Part IV.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

SCHEDULES

SCHEDULE 5

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)
- C1** Sch. 5 modified by Finance Act 1990 (c. 29, SIF 63:1), s. 80, Sch. 12 para. 2(1)

PART IV

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

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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.

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).

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