



Finance Act 1982

1982 CHAPTER 39

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER III

CAPITAL GAINS

[^{F1}89

- (1) Where, in a case of a man and his wife living with him, one of them—
 - (a) disposes of securities to his wife or her husband on or after 6th April 1982, and
 - (b) disposes of other securities, which are of the same kind as those disposed of to the wife or husband, to another person (in this section referred to as “a third party”), the provisions of subsections (3) and (4) below have effect with respect to any securities acquired by the person making those disposals which, but for the provisions of section 88 above, could have been comprised in either of those disposals.
- (2) Where a company which is a member of a group of companies—
 - (a) disposes of securities to another member of the group on or after 1st April 1982, and
 - (b) disposes of other securities, which are of the same kind as those disposed of to that other company, to another person (in this section referred to as a “third party”) not being another member of the same group, the provisions of subsections (3) and (4) below have effect with respect to any securities acquired by the company making those disposals which, but for the provisions of section 88 above, could have been comprised in either of those disposals.
- (3) If, apart from the provisions of this subsection, securities disposed of to a third party—
 - (a) would be indexed securities, and
 - (b) but for the disposal referred to in subsection (1)(a) or, as the case may be, subsection (2)(a) above would be unindexed securities,

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1982, Section 89. (See end of Document for details)

the identification shall be reversed so that the securities disposed of to the third party (or, if the quantity disposed of to the third party was greater than the quantity disposed of to the wife or husband or, as the case may be, to the other company, a part of them equal to the quantity so disposed of) shall be unindexed securities.

- (4) If there is more than one disposal falling within subsection (1)(a) or, as the case may be, subsection (2)(a) above, or more than one disposal to a third party, the provisions of subsection (3) above shall be applied to securities disposed of on an earlier date before being applied to securities disposed of on a later date, and the re-identification of the securities first disposed of shall accordingly determine the way in which this section applies to the securities comprised in the later disposal.
- (5) In this subsection “indexed securities” means securities which were acquired or provided more than twelve months before the date of the disposal concerned and “unindexed securities” shall be construed accordingly.
- (6) Section 272 of the Taxes Act (groups of companies) shall apply for the purpose of this section as it applies for the purposes of sections 273 to 281 of that Act.
- (7) Subsection (9) of section 88 above applies for the purposes of this section as it applies for the purposes of that].

Textual Amendments

- F1** S. 89 repealed by Finance Act 1985 (c. 54), ss. 68, 98(6), Schs. 19 Pt. I and 27 Pt. VII for disposals made on or after 6 April 1985 or 1 April 1985 for companies, 2 July 1986 for gilt-edged securities (Capital Gains Tax Act 1979 (c. 14, SIF 63:2) Sch. 2) and qualifying corporate bonds (Finance Act 1984 (c. 43, SIF 40:1) s. 64), or 28 February 1986 for other securities within the meaning of Finance Act 1985 (c. 54) Part II Ch. IV

Modifications etc. (not altering text)

- C1** See—Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), ss. 57, 289 and Sch. 4 para. 12 Capital Gains Tax Act 1979 (c. 14, SIF 63:2), s. 149C

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