Changes to legislation: *Taxation of Chargeable Gains Act 1992, Cross Heading: Reductions peculiar to disposals of assets is up to date with all changes known to be in force on or before 28 August 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*

SCHEDULES

SCHEDULE 7

RELIEF FOR GIFTS OF BUSINESS ASSETS

PART II

REDUCTIONS IN HELD-OVER GAIN

Reductions peculiar to disposals of assets

5 (1) If, in the case of a disposal of an asset, the asset was not used for the purposes of the trade, profession or vocation referred to in paragraph (a) of the principal provision throughout the period of its ownership by the transferor, the amount of the held-over gain shall be reduced by multiplying it by the fraction—

$$\frac{A}{B}$$

where—

A is the number of days in that period of ownership during which the asset was so used, and

B is the number of days in that period.

(2) This paragraph shall not apply where the circumstances are such that a reduction in respect of the asset—

(a) is made under Chapter II of Part V of the [M1]Inheritance Tax Act 1984 in relation to a chargeable transfer taking place on the occasion of the disposal, or

(b) would be so made if there were a chargeable transfer on that occasion, or

(c) would be so made but for section 124A of that Act (assuming, where there is no chargeable transfer on that occasion, that there were).

Marginal Citations

M1 1984 c. 51.

6 (1) If, in the case of a disposal of an asset, the asset is a building or structure and, over the period of its ownership by the transferor or any substantial part of that period, part of the building or structure was, and part was not, used for the purposes of the trade, profession or vocation referred to in paragraph (a) of the principal provision, there shall be determined the fraction of the unrelieved gain on the disposal which it is just and reasonable to apportion to the part of the asset which was so used, and the

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amount of the held-over gain (as reduced, if appropriate, under paragraph 5 above) shall be reduced by multiplying it by that fraction.

(2) This paragraph shall not apply where the circumstances are such that a reduction in respect of the asset—

(a) is made under Chapter II of Part V of the Inheritance Tax Act 1984 in relation to a chargeable transfer taking place on the occasion of the disposal, or

(b) would be so made if there were a chargeable transfer on that occasion, or

(c) would be so made but for section 124A of that Act (assuming, where there is no chargeable transfer on that occasion, that there were).

Changes to legislation:
Taxation of Chargeable Gains Act 1992, Cross Heading: Reductions peculiar to disposals of assets is up to date with all changes known to be in force on or before 28 August 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.
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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. 42Sch. 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