

**Changes to legislation:** Taxation of Chargeable Gains Act 1992, Cross Heading: Disqualification of shares where value received in period of restriction is up to date with all changes known to be in force on or before 15 April 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

### [<sup>F1</sup>SCHEDULE 7ZB

#### INVESTORS' RELIEF: DISQUALIFICATION OF SHARES

##### Textual Amendments

**F1** Sch. 7ZB inserted (15.9.2016) by Finance Act 2016 (c. 24), Sch. 14 para. 3

##### *Disqualification of shares where value received in period of restriction*

- 1 (1) Sub-paragraph (2) applies where—
- (a) shares in a company are issued to a qualifying person (“the investor”) on a particular date,
  - (b) any of those shares would, apart from this Schedule, be or be treated as being qualifying shares or potentially qualifying shares at a particular time (“the relevant time”), and
  - (c) the investor receives any value, other than insignificant value, from the company at any time in the period of restriction.
- (2) The shares in question are to be treated for the purposes of this Chapter as being excluded shares at the relevant time.
- (3) Where—
- (a) the investor receives value (“the relevant receipt”) from the company during the period of restriction,
  - (b) the investor has received from the company one or more receipts of insignificant value at a time or times—
    - (i) during that period, but
    - (ii) not later than the time of the relevant receipt, and
  - (c) the aggregate amount of the value of the receipts within paragraphs (a) and (b) is not an amount of insignificant value,
- the investor is to be treated for the purposes of this Schedule as if the relevant receipt had been a receipt of an amount equal to that aggregate amount.
- For this purpose a receipt does not fall within paragraph (b) in relation to the shares if it has previously been aggregated under this sub-paragraph in relation to them.
- (4) In this Schedule “the period of restriction” means the period—
- (a) beginning one year before the date the shares are issued, and
  - (b) ending immediately before the third anniversary of the date the shares are issued.
- (5) In sub-paragraphs (3) and (4) and in the following provisions of this Schedule references to “the shares” are to the shares referred to in sub-paragraph (1)(a).

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(6) This paragraph is subject to paragraph 4.]

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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](#)