

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: When does the Schedule apply? is up to date with all changes known to be in force on or before 22 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

[^{F1}SCHEDULE 8B

HOLD-OVER RELIEF FOR GAINS RE-INVESTED IN SOCIAL ENTERPRISES

Textual Amendments

F1 Sch. 8B inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 12 para. 3](#)

When does the Schedule apply?

- 1 (1) This Schedule applies if—
 - (a) a chargeable gain accrues to an individual (“the investor”),
 - (b) the investor acquires one or more assets (“the social holding”),
 - (c) the investor is eligible for SI relief under Part 5B of ITA 2007 in respect of the consideration given for the social holding, and
 - (d) conditions A, B, C, D and E are met.
- (2) Condition A is that the gain is one that accrues—
 - (a) on the disposal by the investor of an asset,
 - (b) in accordance with section 169N (but see sub-paragraph (7)), or
 - (c) as a result of the operation of paragraph 5 in connection with a chargeable event within paragraph 6(1)(c) or (d).
- (3) Condition B is that the gain is one that accrues—
 - (a) on or after 6 April 2014, and
 - (b) before [^{F2}6 April 2023] (but see sub-paragraph (8)).
- (4) Condition C is that the investor is resident in the United Kingdom—
 - (a) when the gain accrues, and
 - (b) when the social holding is acquired.
- (5) Condition D is that the social holding is acquired by the investor on the investor's own behalf.
- (6) Condition E is that the social holding is acquired—
 - (a) in the 3 years beginning with the day when the gain accrues, or
 - (b) in the year that ends at the beginning of that day.
- (7) The reference in sub-paragraph (2)(b) to a gain accruing in accordance with section 169N does not include such a gain so far as it is chargeable to capital gains tax at the rate in section 169N(3) (rate where [^{F3}business asset disposal relief] is available).
- (8) The Treasury may by order substitute a later date for the date for the time being specified in sub-paragraph (3)(b).

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Textual Amendments

- F2** Words in [Sch. 8B para. 1\(3\)\(b\)](#) substituted (10.6.2021) by [Finance Act 2021 \(c. 26\), s. 20\(b\)](#)
F3 Words in Act substituted (with effect for the tax year 2020-21 and subsequent tax years) by [Finance Act 2020 \(c. 14\), Sch. 3 paras. 7\(2\)\(a\), 8](#) (with [Sch. 3 para. 7\(3\)](#))

- 2 (1) This Schedule also applies if—
- (a) a chargeable gain accrues to an individual (“the investor”),
 - (b) the gain accrues as a result of the operation of paragraph 5 in connection with a chargeable event within paragraph 6(1)(a), (b) or (c),
 - (c) the chargeable event is either—
 - (i) a disposal to a social enterprise of shares in or debentures of the social enterprise, or
 - (ii) the cancellation, extinguishment, redemption or repayment by a social enterprise of shares in or debentures of the social enterprise,
 - (d) as part of the chargeable event or in connection with it, and in place of the shares or debentures, the investor acquires one or more assets (“the social holding”) from the social enterprise,
 - (e) other than the investor's ceasing to hold the shares or debentures, no detriment is suffered in return for the acquisition of the social holding,
 - (f) the asset acquired, or each of the assets acquired, is a share in or debenture of the social enterprise,
 - (g) but for section 257LA of ITA 2007 (consideration for acquisition must be wholly in cash and fully paid) the investor would be eligible for SI relief under Part 5B of ITA 2007 in respect of the consideration given for the social holding, and
 - (h) conditions F, G, H and J are met.
- (2) Condition F is that the gain is one that accrues—
- (a) on or after 6 April 2014, and
 - (b) before [^{F4}6 April 2023] (but see sub-paragraph (6)).
- (3) Condition G is that the investor is resident in the United Kingdom—
- (a) when the gain accrues, and
 - (b) when the social holding is acquired.
- (4) Condition H is that the social holding is acquired by the investor on the investor's own behalf.
- (5) Condition J is that the social holding is acquired—
- (a) in the 3 years beginning with the day when the gain accrues, or
 - (b) in the year that ends at the beginning of that day.
- (6) The Treasury may by order substitute a later date for the date for the time being specified in sub-paragraph (2)(b).
- (7) In this paragraph “debenture” includes any instrument creating or acknowledging indebtedness.
- (8) A reference in this paragraph to a social enterprise is a reference to a body that is a social enterprise for the purposes of Part 5B of ITA 2007 (see section 257J of that Act).]

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Textual Amendments

F4 Words in [Sch. 8B para. 2\(2\)\(b\)](#) substituted (10.6.2021) by [Finance Act 2021 \(c. 26\), s. 20\(b\)](#)

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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](#)