

# SCHEDULES

## SCHEDULE 11

Section 51

### CHARGEABLE GAINS: DEDUCTION OF PERSONAL LOSSES FROM GAINS TREATED AS ACCRUING TO SETTLORS

#### Introduction

1 The Taxation of Chargeable Gains Act 1992 (c. 12) is amended in accordance with paragraphs 2 to 6.

#### Section 2

2 (1) Section 2 (persons and gains chargeable to capital gains tax, and allowable losses) is amended as follows.

<sup>F1</sup>(2) .....

(3) In paragraph (b) of that subsection, omit “77, 86,”.

(4) After that subsection insert—

“(6) Allowable losses must (notwithstanding section 2A(6)) be deducted under paragraph (a)(i) of subsection (5) above before any may be deducted under paragraph (aa)(i) of that subsection.

(7) Where in any year of assessment—

- (a) there are amounts treated as accruing to a person by virtue of section 77 or 86,
- (b) two or more of those amounts, or elements of them—
  - (i) relate to different settlements, and
  - (ii) attract taper relief (by virtue of subsection (5)(aa)(ii) above) at the same rate, or are not eligible for taper relief, and
- (c) losses are deductible from the amounts or elements mentioned in paragraph (b) above (“the equal-tapered amounts”) but are not enough to exhaust them all,

the deduction applicable to each of the equal-tapered amounts shall be the appropriate proportion of the aggregate of those losses.

The “appropriate proportion” is that given by dividing the equal-tapered amount in question by the total of the equal-tapered amounts.

(8) The references to section 86 in subsection (5)(aa) above (in the opening words) and subsection (7)(a) above include references to that section read with section 10A.”.

*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2002, SCHEDULE 11. (See end of Document for details)*

**Textual Amendments**

**F1** Sch. 11 para. 2(2) omitted (with effect in accordance with Sch. 2 para. 56(3) of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 2 para. 55(e)(iv)

*Section 77*

**F23** .....

**Textual Amendments**

**F2** Sch. 11 para. 3 omitted (with effect in accordance with Sch. 2 para. 22 of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 2 para. 21(f)

*Section 86*

**F34** .....

**Textual Amendments**

**F3** Sch. 11 paras. 4-6 omitted (with effect in accordance with Sch. 2 para. 56(3) of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 2 para. 55(e)(iv)

*Section 86A*

**F35** .....

**Textual Amendments**

**F3** Sch. 11 paras. 4-6 omitted (with effect in accordance with Sch. 2 para. 56(3) of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 2 para. 55(e)(iv)

*Section 87*

**F36** .....

**Textual Amendments**

**F3** Sch. 11 paras. 4-6 omitted (with effect in accordance with Sch. 2 para. 56(3) of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 2 para. 55(e)(iv)

*Commencement*

7 This Schedule applies in relation to chargeable gains treated as accruing to a person by virtue of section 77 or 86 (read, where appropriate, with section 10A) of the Taxation of Chargeable Gains Act 1992 (c. 12) in the year 2003-04 and subsequent years of assessment.

*Election for Schedule to apply for years earlier than 2003-04*

- 8 (1) This Schedule also applies, if the person so elects, in relation to chargeable gains so accruing to a person in any of the years of assessment 2000-01, 2001-02 and 2002-03.
- (2) An election under this paragraph—
- (a) must be made by a notice given to an officer of the Board no later than 31st January 2005;
  - (b) where chargeable gains are treated as accruing in respect of two or more settlements, may be restricted to those treated as accruing in respect of the settlement or settlements specified in the election.
- (3) All such adjustments shall be made, whether by way of discharge or repayment of tax, the making of assessments or otherwise, as are required to give effect to an election under this paragraph.
- (4) Where—
- (a) a person makes an election under this paragraph for any one or more of the years of assessment 2000-01, 2001-02 and 2002-03, and
  - (b) the effect of the election, or (as the case may be) both or all of them taken together, is to increase the total amount of tax that the person is entitled to recover from the trustees of a particular settlement for those three years under section 78(1)(a) of the Taxation of Chargeable Gains Act 1992 or paragraph 6 of Schedule 5 to that Act,
- the trustees of that settlement must join in the election, or (as the case may be) each of them that has that effect or contributes to it.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2002, SCHEDULE 11.