

*These notes refer to the Income Tax Act 2007 (c.3)
which received Royal Assent on 20 March 2007*

INCOME TAX ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 12: Accrued Income Profits

Overview

Chapter 2: Accrued income profits and losses

Section 639: Small holdings: individuals

1884. This section excludes individuals whose holdings are below the specified limit. It is based on section 715(1)(b) of ICTA.
1885. *Subsections (1) to (3)* set out the limit for exclusion for individuals in relation to the various types of transfer of securities and by reference to the relevant basis on which income is charged under section 617. The limit is set at a total nominal value of £5,000 of all securities held by the individual on any day in the prescribed period. An individual's holding may, however, be combined with another's (see *subsection (5)*) and, where that is the case, the limit applies to the combined holding.
1886. *Subsection (3)* adapts the rule for transfers of variable rate securities as more than one basis on which income is charged under section 617 may apply to such securities. *Change 101* in Annex 1 (which applies to other transfers of variable rate securities the treatment of transfers of such securities on redemption that was provided by section 717(11) of ICTA) applies as regards such transfers for the purposes of this and the following two sections.