



Income Tax Act 2007

2007 CHAPTER 3

PART 14

INCOME TAX LIABILITY: MISCELLANEOUS RULES

[^{F1}CHAPTER A1

REMITTANCE BASIS

[^{F1}Exempt property relief]

[^{F1}[^{F2}809YD] Chargeable gains accruing on sales of exempt property

- (1) This section applies to an individual (“P”) if—
 - (a) a chargeable gain (but not a loss) accrues to a person on a sale of exempt property,
 - (b) but for section 809YA, section 809Y(1) would have applied to the property by virtue of the sale, and
 - (c) P is either—
 - (i) the person to whom the gain accrues, or
 - (ii) a person to whom a part of the gain is treated as accruing under [^{F3}section 3] of TCGA 1992 (members of non-resident companies).
- (2) The relevant UK gain is to be treated for the purposes of this Chapter as if—
 - (a) it were a foreign chargeable gain of P, and
 - (b) in the case of section 809E, it were not part of P’s UK income and gains.
- (3) Accordingly, if section 809F applies to P for the applicable tax year ^{F4}..., the relevant UK gain is charged in accordance with [^{F5}paragraph 1 of Schedule 1 to TCGA 1992] as if it were a foreign chargeable gain.
- (4) The relevant UK gain is—

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- (a) in a case falling within subsection (1)(c)(i), the gain accruing to P,
 - (b) in a case falling within subsection (1)(c)(ii), the part of the gain treated as accruing to P.
- (5) The applicable tax year is —
- (a) if [^{F6}section 1M] of TCGA 1992 (temporary non-residents) applies in P's case and the relevant UK gain is within subsection (2) of that section, [^{F7}the tax year that consists of or includes the period of return] as defined in that section,
 - (b) otherwise, the tax year in which the relevant UK gain accrues.
- (6) In applying this Chapter to the relevant UK gain—
- (a) treat the amount of any gains mentioned in section 809Q(4)(e) contained in the disposal proceeds by virtue of section 809YC(4) as increased by the amount of the relevant UK gain,
 - (b) disregard section 809U, and
 - (c) anything done in relation to any part of the disposal proceeds before the part is taken offshore or used to make a qualifying investment (or both) does not count as a remittance to the United Kingdom of any of the relevant UK gain.
- (7) The relevant UK gain is to be treated for the purposes of the following provisions of TCGA 1992 as if it [^{F8}accrued on the disposal of a foreign asset (within the meaning of Schedule 1 to TCGA 1992)] —
- [^{F9}(a) section 1M,
 - (b) section 3D, and
 - (c) Schedule 1.]
- (8) This section has effect despite [^{F10}section 3D(2)] of TCGA 1992.
- (9) This section does not apply with respect to a chargeable gain if P gives notice to Her Majesty's Revenue and Customs under this subsection.
- (10) A notice under subsection (9)—
- (a) must be in writing and must identify the gain in question,
 - (b) must be given on or before the first anniversary of the 31 January following the applicable tax year, and
 - (c) may not be revoked after that first anniversary.]]

Textual Amendments

- F1** Pt. 14 Ch. A1 inserted (21.7.2008 with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 7 para. 1** (with [Sch. 7 paras. 85-89](#))
- F2** Ss. 809YA-809YD inserted (17.7.2012) (with effect in accordance with Sch. 12 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), **Sch. 12 para. 18**
- F3** Words in s. 809YD(1)(c)(ii) substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), **Sch. 1 para. 106(2)**
- F4** Words in s. 809YD(3) omitted (with effect in accordance with Sch. 46 para. 25 of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 46 para. 23** (with [Sch. 46 para. 26](#))
- F5** Words in s. 809YD(3) substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), **Sch. 1 para. 106(3)**
- F6** Words in s. 809YD(5)(a) substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), **Sch. 1 para. 106(4)(a)**

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- F7** Words in s. 809YD(5)(a) substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), **Sch. 1 para. 106(4)(b)**
- F8** Words in s. 809YD(7) substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), **Sch. 1 para. 106(5)(a)**
- F9** S. 809YD(7)(a)-(c) substituted for s. 809YD(7)(a)-(d) (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), **Sch. 1 para. 106(5)(b)**
- F10** Words in s. 809YD(8) substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), **Sch. 1 para. 106(6)**

Modifications etc. (not altering text)

- C1** Pt. 14 Ch. A1 modified by 2005 c. 5, s. 643F(4) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))
- C2** Pt. 14 Ch. A1 modified by 2005 c. 5, s. 643N(3)(4) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))
- C3** Ss. 809L-809Z6 applied by 2005 c. 5, s. 643I(9) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))
- C4** Ss. 809L-809Z6 applied by 2005 c. 5, s. 643A(6) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))

Changes to legislation:

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