These notes refer to the Finance Act 2014 (c.26) which received Royal Assent on 17 July 2014

FINANCE ACT 2014

EXPLANATORY NOTES

INTRODUCTION

Section 61: Capital Gains Roll-Over Relief: Relevant Classes of Assets

Background Note

4. Roll-over relief (as the relief at sections 152 to 159 of the Taxation of Chargeable Gains Act (TCGA) 1992 is commonly referred to) permits the deferral of some or all of a chargeable gain on the disposal of a qualifying business asset (or interests in them) where the consideration received for that business asset is wholly or partly applied in acquiring replacement qualifying business assets (or interests in them).

5. Qualifying business assets are listed at section 155 of TCGA 1992. Class 7A refers to the single payment scheme (SPS), the EU's main agricultural subsidy scheme for farmers under the common agricultural policy. SPS is designed to give farmers greater freedom to farm to the demands of the market, as subsidies are not linked to production; and environmentally friendly farming practices (known as cross compliance) are better acknowledged.

6. SPS payments will cease in 2014 and are being replaced by payments under the EU's new basic payment scheme (BPS) from 1 January 2015.

7. SPS and BPS payments are made only to farmers who have established entitlements under either scheme. Entitlements are transferrable and are typically transferred when the underlying agricultural land is transferred.