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STATUTORY INSTRUMENTS

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**1996 No. 846**

**The Personal Equity Plan (Amendment) Regulations 1996**

**Amendments to the principal Regulations**

**11. In regulation 27—**

(a) for paragraph (2) there shall be substituted—

“(2) Sections 104, 110 and 114 of the Taxation of Chargeable Gains Act 1992 shall apply for the purposes of pooling plan investments as if—

(a) for subsection (4) of the said section 104 there were substituted—

“(4) This section and sections 110 and 114—

(a) shall apply separately in relation to any securities which are held by a person as plan investments so long as they are so held, and

(b) shall apply in relation to any such securities which became plan investments by being transferred or renounced to a plan manager or to a nominee for a plan manager in the circumstances specified in regulation 4(2A)(a) or (b) or regulation 4A(2) as if they had been plan investments—

(i) in the case of securities which were transferred or renounced in the circumstances specified in regulation 4(2A)(a) or (b), and in the case of securities acquired by that person in accordance with the provisions of a savings-related share option scheme which were transferred in the circumstances specified in regulation 4A(2), from the date of their acquisition by him, or

(ii) in the case of securities appropriated to that person in accordance with the provisions of an approved profit sharing scheme which were transferred in the circumstances specified in regulation 4A(2), from the date when he directed the trustees to transfer the ownership of the securities to him or, if earlier, the release date in relation to those securities, and

(c) while applying separately to any such securities, shall have effect as if that person held them in a capacity other than that in which he holds any other securities of the same class whether under another such plan or otherwise.

(4A) In subsection (4) above—

(a) “plan”, “plan investment” and “plan manager” have the same meanings as in the Personal Equity Plan Regulations 1989 and “regulation” means a regulation of those Regulations;

(b) “approved profit sharing scheme” has the same meaning as in Chapter IV of Part V of the Taxes Act and “savings-related share option scheme” has the meaning given by paragraph 1 of Schedule 9 to that Act.”; and

(b) in the said section 110 after subsection (11) there were added—

“(12) Where part of a new holding is treated by section 104(4)(b)(ii) as having been plan investments since a particular date—

(a) an operative event shall be regarded as having occurred for the purposes of this section immediately before that date consisting of the disposal of the part of that new holding which is so treated, and

(b) this section shall apply in relation to the occurrence of that operative event as it would have applied if it had always applied separately in relation to the part of that new holding which is so treated.”;

(b) after paragraph (2) there shall be inserted—

“(2A) Section 107 of the Taxation of Chargeable Gains Act 1992 shall apply for the purposes of identifying securities which are eligible to become plan investments as if after subsection (9) there were added—

“(10) Where a person disposes of securities and immediately before that disposal—

(a) he held securities of the same class which he had acquired in the circumstances specified in regulation 4(2A)(a) or (b) or regulation 4A(2) of the Personal Equity Plan Regulations 1989, and

(b) those securities were eligible for transfer to a personal equity plan under either of those regulations,

he shall be treated as having first disposed of any securities of that class which he then held and which were not so eligible.

(11) For the purposes of subsection (10) above, securities are eligible at a particular time for transfer to a personal equity plan under regulation 4(2A)(a) or (b) or regulation 4A(2) of the Personal Equity Plan Regulations 1989 when a transfer of, or a renunciation of the rights to, those securities at that time would satisfy the conditions respectively prescribed by regulation 4(3)(a) and 4A(3)(a) or (b) of those Regulations.”

(c) in paragraph (3)(1) for the words “Sections 78 to 81 of the Capital Gains Tax Act 1979” there shall be substituted the words “Sections 127 to 131 of the Taxation of Chargeable Gains Act 1992” and for the words “section 77(2)” there shall be substituted the words “section 126(2)”.