

---

**From:**  
**Sent:** 17 June 2014 17:24  
**To:** zzHMRC\_TaxTeam, CapitalGains  
**Subject:** FW: Consultation on non-residents

Sirs

This response deals only with Q10 on page 16 of the consultation document where you ask might there be unintended consequences to a change in the PPR election rules.

One such consequence would be in connection with reliefs under s248A exchange of joint interests. This provision allows the capital gain on an exchange of joint interests to be rolled over with an exception if the land is excluded land. Broadly excluded land is land which would benefit from PPR relief in the 6 years following acquisition.

Thus if an individual has two residences following an exchange of joint interests one he held solely before the exchange and one he owns solely as a result of the exchange and elects for at least 6 years that the property which was not included in the exchange of joint interests should be treated as his PPR then the property that was included in the joint exchange would not benefit from PPR and so s248A holdover would apply. A change to the election rules along the lines set out would mean that gains previously held over under s248A would crystallise if the previously jointly owned property was the one in which they spent most time for example and be chargeable.

Regards

Duncan Sheard Glass  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL