
1 Chargeable gains: separated spouses and civil partners

- (1) TCGA 1992 is amended in accordance with subsections (2) to (5).
- (2) In Part 3 (individuals, partnerships, trusts and collective investment schemes), in Chapter 1 (miscellaneous provisions), in section 58 (spouses and civil partnerships), for subsection (1) substitute—
 - “(1A) If an individual (“A”) disposes of an asset to another individual (“B”) in circumstances where any of subsections (1B) to (1D) applies, A and B are to be treated as if B acquired the asset from A for a consideration of such amount as would secure that on the disposal neither a gain nor a loss would accrue to A.
 - (1B) This subsection applies where the disposal is made while A and B—
 - (a) are married to, or are civil partners of, each other, and
 - (b) are living together.
 - (1C) This subsection applies where the disposal is made—
 - (a) while A and B are married to, or are civil partners of, each other,
 - (b) at a time when A and B have ceased to live together, and
 - (c) before the earlier of—
 - (i) the last day of the third year of assessment after the year of assessment in which A and B ceased to live together, or
 - (ii) the day on which a court grants an order or decree for A and B’s divorce, the annulment of their marriage, the dissolution or annulment of their civil partnership, their judicial separation or, as the case may be, their separation in accordance with a separation order.
 - (1D) This subsection applies where—
 - (a) A and B have ceased to be, or are in the process of ceasing to be, married to, or civil partners of, each other, and
 - (b) the disposal of the asset is in accordance with an agreement or order within subsection (2)(a) or (b) of section 225B (disposals in connection with divorce etc).”
- (3) In section 225B (disposals in connection with divorce etc)—
 - (a) in subsection (1)(b), after “to” insert “someone other than”;
 - (b) in subsection (3), after “disposal to” insert “someone other than”.
- (4) After section 225B insert—

“225BA Deferred payments on disposals in connection with divorce etc

- (1) This section applies where—
 - (a) an individual (“A”) ceases to live with A’s spouse or civil partner (“B”) in a dwelling-house or part of a dwelling house,
 - (b) immediately before A ceases to live with B, the dwelling-house or part is A’s only or main residence,
 - (c) A disposes of, or of an interest in, that dwelling-house or part to B (“the initial disposal”), and
 - (d) the initial disposal is in accordance with a deferred sale agreement or order.

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- (2) If—
- (a) in accordance with the deferred sale agreement or order A receives a sum in respect of a share of any profit made by B upon B's disposal of, or of an interest in, the dwelling-house or part, and
 - (b) the receipt of that sum would be treated (apart from this section) as a disposal falling with section 22 (disposal where capital sums derived from assets),
- that receipt is to be treated for the purposes of this Act as a gain attributable to the initial disposal but accruing to A at the time the sum is received.
- (3) In this section, a “deferred sale agreement or order” is an agreement or order of a court which—
- (a) is within paragraph (a) or (b), as the case may be, of section 225B(2) (agreements and orders of the court in relation to divorce etc), and
 - (b) includes a term entitling A to receive a share of any profit made by B as mentioned in subsection (2)(a).”
- (5) In Part 8 (supplemental), in section 288 (interpretation), in subsection (3), after “partner” insert “(however expressed)”.
- (6) The amendments made by this section apply in relation to a disposal made on or after 6 April 2023.