

1 Main rates of CGT for gains other than carried interest gains

- (1) In section 1H of TCGA 1992 (the main rates of CGT) –
 - (a) omit subsection (1A) (which sets out the rates for residential property gains accruing to individuals),
 - (b) in subsection (3) (which sets out the rates for gains accruing to individuals that are not residential property gains or carried interest gains) –
 - (i) for “10%” substitute “18%”, and
 - (ii) for “20%” substitute “24%”,
 - (c) omit subsection (4A) (which sets out the rates for residential property gains accruing to personal representatives),
 - (d) in subsection (6) (which sets out the rates for gains accruing to personal representatives that are not residential property gains or carried interest gains), for “20%” substitute “24%”,
 - (e) omit subsection (7) (which sets out the rates for residential property gains accruing to trustees), and
 - (f) in subsection (8) (which sets out the rates for gains accruing to trustees that are not residential property gains or carried interest gains) –
 - (i) omit “Other”, and
 - (ii) for “20%” substitute “24%”.
- (2) Schedule 1 contains amendments in consequence of the provision made by this section.
- (3) The amendments made by this section and that Schedule have effect in relation to disposals made on or after 30 October 2024.

2 Business asset disposal relief: increase in rate

- (1) In section 169N of TCGA 1992 (business asset disposal relief), in subsection (3) (which specifies the rate of CGT for the relief), for “10%” substitute “14%”.
- (2) In consequence of the amendment made by subsection (1), in section 1H(1)(a) of TCGA 1992 (which refers to the rate for business asset disposal relief), for “10%” substitute “14%”.
- (3) The amendments made by subsections (1) and (2) have effect in relation to disposals made on or after 6 April 2025.
- (4) In section 169N(3) of TCGA 1992 (as amended by subsection (1)), for “14%” substitute “18%”.
- (5) In consequence of the amendment made by subsection (4), in section 1H(1)(a) of TCGA 1992 (as amended by subsection (2)), for “14%” substitute “18%”.
- (6) The amendments made by subsections (4) and (5) have effect in relation to disposals made on or after 6 April 2026.

3 Investors' relief: increase in rate

- (1) In section 169VC(2) of TCGA 1992 (which specifies the rate of CGT for the relief), for "10%" substitute "14%".
- (2) In consequence of the amendment made by subsection (1), in section 1H(1)(b) of TCGA 1992 (which refers to the rate for investors' relief), for "10%" substitute "14%".
- (3) In consequence of the amendments made by subsection (1) and section 2(1), in section 1I of TCGA 1992 (income taxed at higher rates or gains exceeding unused basic rate band), in subsection (4)(a) (which refers to the rate for business asset disposal relief and investors' relief), for "10%" substitute "14%".
- (4) The amendments made by subsections (1) to (3) have effect in relation to disposals made on or after 6 April 2025.
- (5) In section 169VC(2) of TCGA 1992 (as amended by subsection (1)), for "14%" substitute "18%".
- (6) In consequence of the amendment made by subsection (5), in section 1H(1)(b) of TCGA 1992 (as amended by subsection (2)), for "14%" substitute "18%".
- (7) In consequence of the amendments made by subsection (5) and section 2(4), in section 1I(4)(a) of TCGA 1992 (as amended by subsection (3)), for "14%" substitute "18%".
- (8) The amendments made by subsections (5) to (7) have effect in relation to disposals made on or after 6 April 2026.

4 Investors' relief: reduction in amount qualifying for relief

- (1) In—
 - (a) section 169VK(1) and (2) of TCGA 1992 (which specify the amount of gains qualifying for the relief in the case of disposals by individuals), and
 - (b) section 169VL(2) and (3) of that Act (which specify the amount of gains qualifying for the relief in the case of disposals by trustees),for "£10 million" substitute " £1 million".
- (2) The amendments made by this section have effect in relation to disposals made on or after 30 October 2024.

5 Sections 1 to 4: transitional provision

Schedule 2 contains transitional provision in connection with the provision made by sections 1 to 4.

SCHEDULE 1

Section 1

CONSEQUENTIAL PROVISION IN CONNECTION WITH SECTION 1

Amendments of TCGA 1992

- 1 TCGA 1992 is amended as follows.
- 2 In section 11 (income taxed at higher rates or gains exceeding unused basic rate band) –
 - (a) in subsection (1) –
 - (i) omit paragraph (za), and
 - (ii) in paragraph (b), for “20%” substitute “24%”,
 - (b) in subsection (2), in the closing words –
 - (i) omit “at the rate of 24% (so far as comprising residential property gains),”, and
 - (ii) for “20%” substitute “24%”,
 - (c) in subsection (5) –
 - (i) omit paragraph (za), and
 - (ii) in paragraph (b), for “20%” substitute “24%”, and
 - (d) for subsections (7) to (9) substitute –
 - “(7) The individual may allocate so much of the unused part of the individual’s basic rate band as then remains to any carried interest gains or any other gains.
 - (8) The effect of the allocation is that the gains to which the allocation is made are charged at the rate of 18%.
 - (9) Any gains to which no allocation is made are charged –
 - (a) at the rate of 28% (if they are carried interest gains),
or
 - (b) at the rate of 24% (if they are other kinds of gains).”
- 3 In section 222A (determination of main residence: non-resident CGT disposals), in subsection (1)(b)(i), for “a residential property gain (as defined by Schedule 1B)” substitute “a gain”.
- 4 In section 223 (amount of relief), in subsection (7)(b), for “a residential property gain (as defined by Schedule 1B)” substitute “a gain”.
- 5 Omit Schedule 1B (residential property gains).
- 6 (1) Schedule 4AA (re-basing for non-residents in respect of UK land etc held on 5 April 2019) is amended as follows.
 - (2) Omit paragraphs 5, 10, 11 and 15.
 - (3) In paragraph 22(3), for “Schedule 1B” substitute “paragraphs 16E to 16H of Schedule 2 to the Finance Act 2019”.

Amendments of other Acts

- 7 In paragraph 8(3) of Schedule A1 to IHTA 1984 (non-excluded overseas property), for “Schedule 1B to the 1992 Act” substitute “paragraphs 16B to 16H of Schedule 2 to the Finance Act 2019”.
- 8 In Schedule 1 to FA 2019, omit paragraph 15.
- 9 (1) Schedule 2 to that Act (returns and payments on account: disposals of UK land etc) is amended as follows.
- (2) After paragraph 16 insert—
- “Interpretation of “residential property gains”*
- 16A(1) In this Part of this Schedule “residential property gain” means so much of a chargeable gain accruing to a person on a disposal of residential property as, in accordance with paragraph 16B, is attributable to that property.
- (2) The question whether or not a person disposes of residential property is determined in accordance with paragraphs 16C to 16G.
- 16B(1) For the purposes of paragraph 16A the proportion of a chargeable gain attributable to residential property is equal to—
- (a) the relevant fraction of the gain, and
- (b) if there has been mixed use of the land to which the disposal relates on one or more days in the applicable period, the relevant fraction of the gain as adjusted, on a just and reasonable basis, to take account of the mixed use on the day or days.
- (2) The relevant fraction is A/B where—
- A is the number of days in the applicable period on which the land to which the disposal relates consists of or includes a dwelling, and
- B is the total number of days in the applicable period.
- (3) There is mixed use of land on any day on which the land consists of—
- (a) one or more dwellings, and
- (b) other land.
- (4) If the disposal is of an interest in land subsisting under a contract for the acquisition of land consisting of or including a building that is to be constructed or adapted for use as a dwelling, that land is taken to consist of or include a dwelling throughout the applicable period.
- (5) In this paragraph “the applicable period” means the period—
- (a) beginning with the day on which the person making the disposal acquired the interest in land being disposed of

- or, if later, the day from which the interest in land became chargeable, and
- (b) ending with the day before the day on which the disposal occurs.
- (6) For the purposes of this paragraph an interest in land became “chargeable” –
- (a) in any case where the disposal is of an interest in land in the United Kingdom –
- (i) by a person in a tax year in which the person is not UK resident, or
- (ii) by a person in the overseas part of a tax year which is, as respects the person, a split year, from 6 April 2015, and
- (b) in any other case, from 31 March 1982.
- (7) If the interest in land disposed of by the person results from interests in land acquired by the person at different times, the person is regarded for the purposes of this paragraph as having acquired the interest disposed of at the time of the first acquisition.
- 16C(1) For the purposes of paragraph 16A a person “disposes of residential property” if the person disposes of an interest in land in a case where –
- (a) the land consisted of or included a dwelling at any time falling on or after the date on which the applicable period begins,
- (b) the interest in land subsisted for the benefit of land that consisted of or included a dwelling at any time falling on or after that date, or
- (c) the interest in land subsists under a contract for the acquisition of land consisting of or including a building that is to be constructed or adapted for use as a dwelling.
- (2) No account is to be taken for the purposes of this paragraph of any time falling on (or after) the day on which the disposal is made.
- 16D(1) For the purposes of paragraphs 16B to 16H an “interest in land” means –
- (a) an estate, interest, right or power in or over land, or
- (b) the benefit of an obligation, restriction or condition affecting the value of an estate, interest, right or power in or over land,
- other than an excluded interest.
- (2) The following interests are “excluded interests” –
- (a) any interest or right held for securing the payment of money or the performance of any other obligation,

- (b) a licence to use or occupy land,
 - (c) in relation to land in England and Wales or Northern Ireland, a tenancy at will or an advowson, franchise or manor, and
 - (d) such other descriptions of interest or right in relation to land as may be specified in regulations made by the Treasury.
- (3) An interest or right is not within sub-paragraph (2)(a) if it is—
- (a) a rentcharge, or
 - (b) in relation to land in Scotland, a feu duty or a payment mentioned in section 56(1) of the Abolition of Feudal Tenure etc. (Scotland) Act 2000.
- (4) The grant of an option by a person binding the person to dispose of an interest in land is (so far as it would not otherwise be the case) regarded as a disposal of an interest in land by the person for the purposes of this Schedule.
- (5) This does not affect the operation of section 144 in relation to the grant of the option (or otherwise).
- (6) In applying the domestic concepts of law mentioned in this paragraph to land outside the United Kingdom, this paragraph is to be read so as to produce the result most closely corresponding with that produced in relation to land in the United Kingdom.
- (7) In this paragraph—
- “franchise” means a grant from the Crown such as the right to hold a market or fair, or the right to take tolls, and
 - “land” includes—
- (a) buildings and structures, and
 - (b) land under the sea or otherwise covered by water.
- 16E(1) For the purposes of paragraphs 16B to 16H a building is a dwelling at any time when—
- (a) it is used, or suitable for use, as a dwelling, or
 - (b) it is in the process of being constructed or adapted for use as a dwelling,
- and, in each case, it is not an institutional building.
- (2) Land that at any time is, or is intended to be, occupied or enjoyed with a dwelling as a garden or grounds (including any building or structure) is taken to be part of the dwelling at that time.
- (3) A building is an institutional building if—
- (a) it is used as residential accommodation for school pupils,
 - (b) it is used as residential accommodation for members of the armed forces,

- (c) it is used as a home or other institution providing residential accommodation for children,
 - (d) it is used as a home or other institution providing residential accommodation with personal care for persons in need of personal care because of old age, disability, past or present dependence on alcohol or drugs or past or present mental disorder,
 - (e) it is used as a hospital or hospice,
 - (f) it is used as a prison or similar establishment,
 - (g) it is used as a hotel or inn or similar establishment,
 - (h) it is otherwise used, or suitable for use, as an institution that is the sole or main residence of its residents,
 - (i) it falls within –
 - (i) paragraph 4 of Schedule 14 to the Housing Act 2004 (buildings in England or Wales occupied by students and managed or controlled by educational establishment etc), or
 - (ii) any provision having effect in Scotland or Northern Ireland that is designated by regulations made by the Treasury as provision corresponding to paragraph 4 of that Schedule, or
 - (j) it qualifies in accordance with the next sub-paragraph as student accommodation.
- (4) A building qualifies as student accommodation in accordance with this sub-paragraph at any time if the time falls in a tax year in which –
- (a) the accommodation provided by the building includes at least 15 bedrooms,
 - (b) the accommodation is purpose-built, or is converted, for occupation by students, and
 - (c) the accommodation is occupied by students on at least 165 days.
- (5) Accommodation is to be regarded as occupied by persons as students if they occupy it wholly or mainly for undertaking a course of education (otherwise than as school pupils).
- 16F(1) A building is treated for the purposes of paragraph 16E as continuing to be suitable for use as a dwelling at any time when it has become temporarily unsuitable for use as a dwelling.
- (2) There is an exception to this rule if –
- (a) the temporary unsuitability resulted from accidental damage to the building, and
 - (b) the damage resulted in the building becoming unsuitable for use as a dwelling for a period of at least 90 consecutive days (“the 90 day period”).

- (3) This exception does not apply if the damage occurred in the course of work that—
 - (a) was being done for the purpose of altering the building, and
 - (b) itself involved, or could be expected to involve, making the building unsuitable for use as a dwelling for at least 30 consecutive days.
 - (4) If the exception applies, work done in the 90 day period to restore the building to suitability for use as a dwelling is not to count for the purposes of paragraph 16E as constructing or adapting the building for use as a dwelling.
 - (5) For the purposes of this paragraph—
 - (a) references to accidental damage include damage otherwise caused by events beyond the control of the person disposing of the interest in land,
 - (b) references to alteration of a building include its partial demolition, and
 - (c) the 90 day period does not include the day of the disposal (or later days).
 - (6) For the purposes of this paragraph a building’s unsuitability for use as a dwelling is not regarded as temporary if paragraph 16G applies (disposal of a building that has undergone works).
- 16G(1) If—
- (a) a person disposes of an interest in land on which a building has been suitable for use as a dwelling, and
 - (b) as a result of qualifying works, the building has, at or before the time of completion of the disposal, ceased to exist or become unsuitable for use as a dwelling,
- the building is to be regarded for the purposes of paragraph 16E as unsuitable for use as a dwelling throughout the works period.
- (2) For the purposes of this paragraph works are “qualifying” works if—
 - (a) any planning permission or development consent required for the works, or for any change of use with which they are associated, has been granted (whether before or after completion), and
 - (b) the works have been carried out in accordance with the permission or consent.
 - (3) In this paragraph “the works period” means—
 - (a) the period when the works were in progress, and
 - (b) such period (if any) ending immediately before the start of the works throughout which the building was, for reasons connected with the works, not used as dwelling.

- (4) If at any time when qualifying works are in progress—
- (a) the building was undergoing any other work, or put to any other use, in relation to which planning permission or development consent was required but has not (at any time) been granted, or
 - (b) anything else was being done in contravention of a condition or requirement attached to a planning permission or development consent relating to the building,
- the works period does not include that time.
- (5) If sub-paragraph (1) would have applied but for the fact that, at the completion of the disposal, the works are not qualifying works, the works are regarded as not affecting the building's suitability for use as a dwelling at any time before the disposal.
- 16H(1) For the purposes of paragraphs 16B to 16G a building is regarded as ceasing to exist from the time when either—
- (a) it has been demolished completely to ground level, or
 - (b) it has been demolished to ground level except for a single facade (or a double facade if it is on a corner site) the retention of which is a condition or requirement of planning permission or development consent.
- (2) For the purposes of paragraphs 16B to 16G the completion of the disposal of an interest in land is regarded as occurring—
- (a) at the time of the disposal, or
 - (b) if the disposal is under a contract which is completed by a conveyance, transfer or other instrument, at the time when the instrument takes effect.
- (3) For the purposes of paragraphs 16B to 16G—
- “building” includes a part of a building,
 - “development consent” means—
 - (a) in the case of land in the United Kingdom, development consent under the Planning Act 2008, and
 - (b) in the case of land outside the United Kingdom, consent corresponding to development consent under that Act, and
 - “planning permission”—
 - (a) in the case of land in England or Wales, has the meaning given by section 336(1) of the Town and Country Planning Act 1990,
 - (b) in the case of land in Scotland, has the meaning given by section 227(1) of the Town and Country Planning (Scotland) Act 1997,

- (c) in the case of land in Northern Ireland, has the meaning given by Article 2(2) of the Planning (Northern Ireland) Order 1991, and
 - (d) in the case of land outside the United Kingdom, means permission corresponding to any planning permission in relation to land anywhere in the United Kingdom.”.
 - (3) For the italic heading before paragraph 17 substitute “*Other interpretation*”.
 - (4) In paragraph 17(1), omit the definition of “residential property gains” (but not the “and” at the end of that definition).
- 10 In section 6 of F(No.2)A 2024, omit –
- (a) subsection (1)(a), (c) and (e), and
 - (b) subsection (2)(a)(i), (b)(i), (c)(i) and (d)(i).

SCHEDULE 2

Section 5

SECTIONS 1 TO 4 : TRANSITIONAL PROVISION

PART 1

TRANSITIONAL PROVISION IN CONSEQUENCE OF SECTION 1 AND SCHEDULE 1

Introductory

- 1 This Part of this Schedule applies for the purpose of determining how the provisions of TCGA 1992 mentioned below are to apply for the tax year 2024-25 for the purposes of the amendments made by section 1 and Schedule 1.

Allocation of amounts to times before or after 30 October 2024

- 2 Gains or losses treated as accruing to an individual under section 1M of TCGA 1992 (temporary non-residents) in the tax year 2024-25 are to be treated as accruing before 30 October 2024.
- 3 Foreign chargeable gains under section 809J of ITA 2007 (section 809I: order of remittances) in the tax year 2024-25 are to be treated for the purposes of paragraph 1(2) of Schedule 1 to TCGA 1992 (UK resident individuals not domiciled in UK) as remitted before 30 October 2024.
- 4 Chargeable gains treated as accruing to a settlor under section 86(4)(a) of TCGA 1992 (attribution of gains to settlors with interest in non-resident or dual resident settlements) in the tax year 2024-25 are to be treated as accruing before 30 October 2024.
- 5 (1) This paragraph makes provision in relation to –

- (a) chargeable gains treated as accruing to a beneficiary of a settlement under section 87(2) of TCGA 1992 (non-UK resident settlements: attribution of gains to beneficiaries) in the tax year 2024-25,
 - (b) chargeable gains treated as accruing to a beneficiary of a settlement under section 89(2) of that Act (migrant settlements etc) in that tax year, and
 - (c) chargeable gains treated as accruing to a beneficiary of a relevant settlement under paragraph 8(1) of Schedule 4C to that Act (attribution of Schedule 4C gains to beneficiaries) in that tax year.
- (2) Such of the chargeable gains within sub-paragraph (1)(a), (b) or (c) as result from the matching of capital payments received before 30 October 2024 are to be treated as accruing before that date.
- (3) Such of the chargeable gains within sub-paragraph (1)(a), (b) or (c) as result from the matching of capital payments received on or after that date are to be treated as accruing on or after that date.
- (4) The reference in sub-paragraph (1)(b) to section 89(2) of TCGA 1992 is to be read as including a reference to that section as applied by section 90(6)(a) of that Act (transfers between settlements).

PART 2

ANTI-FORESTALLING PROVISIONS: SECTIONS 1(3) AND 4(2)

Introductory

- 6 This Part of this Schedule applies for the purposes of sections 1(3) and 4(2) in the cases of certain acts done before 30 October 2024.

Assets transferred under unconditional contract made before 30 October 2024

- 7 (1) If an asset is transferred on or after 30 October 2024 under an unconditional contract made before that date, the disposal is, despite section 28(1) of TCGA 1992, to be treated as taking place at the time the asset is transferred (rather than at the time the contract is made) unless the contract is an excluded contract.
- (2) A contract is an excluded contract if—
- (a) obtaining an advantage by reason of the application of section 28(1) of TCGA 1992 was no purpose of entering into the contract, and
 - (b) where the parties to the contract are connected persons, the contract was entered into wholly for commercial reasons.
- (3) A contract is not to be regarded as an excluded contract unless the person making the transfer makes a claim which includes a statement that the contract meets the conditions to be an excluded contract.
- (4) But no claim is required if the total amount of—
- (a) the chargeable gain accruing on the disposal, and

- (b) the chargeable gains accruing on all other disposals made under excluded contracts (including contracts which are excluded contracts for the purposes of paragraphs 11 to 13), does not exceed £100,000.
- (5) For this purpose the amount of any gain accruing on a qualifying business disposal is to be taken to be the amount of the gain under section 169N(2) of TCGA 1992.
- (6) If the person making the transfer makes –
- (a) a claim under section 169M of TCGA 1992 in relation to a qualifying business disposal (business asset disposal relief), or
 - (b) a claim under section 169VM of that Act (investors' relief) in relation to a disposal,
- section 169M(2) and (3) of that Act, or (as the case may be) section 169VM(1) and (2) of that Act, apply to a claim under sub-paragraph (3) in relation to the disposal as they apply to a claim under the section concerned.
- (7) In this paragraph “qualifying business disposal” has the meaning given by Chapter 3 of Part 5 of TCGA 1992.
- (8) In this paragraph any reference to the transfer of an asset includes its conveyance.

Investors' relief: reorganisations of share capital before 30 October 2024

- 8 (1) This paragraph applies for the purposes of an election under section 169VT of TCGA 1992 in relation to a reorganisation of a company where –
- (a) the reorganisation takes place on or after 6 April 2023 but before 30 October 2024, and
 - (b) the election is made on or after 30 October 2024.
- (2) If, as at 30 October 2024, a relevant individual holds qualifying shares or potentially qualifying shares, the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the reorganisation.
- (3) For this purpose “a relevant individual” means –
- (a) where a claim under section 169VM of TCGA 1992 is made jointly by the trustees of a settlement and an eligible beneficiary, an eligible beneficiary, and
 - (b) where a claim under that section is made by an individual, the individual.
- (4) References in this paragraph to a reorganisation are to a reorganisation within the meaning of section 126 of TCGA 1992 or an exchange of shares or securities which is treated as such a reorganisation by virtue of section 135 or 136 of that Act, applying for the purposes of this paragraph the provision made by sections 169VN to 169VS of that Act.
- (5) In this paragraph “qualifying shares” and “potentially qualifying shares” have the meaning given by section 169VB of that Act.

Interpretation

- 9 This Part of this Schedule is to be read as if it were contained in TCGA 1992.

PART 3

ANTI-FORESTALLING PROVISIONS: SECTIONS 2(3) AND (6) AND 3(4) AND (8)

Introductory

- 10 This Part of this Schedule applies—
- (a) in the case of business asset disposal relief, for the purposes of section 2(3) and (6), and
 - (b) in the case of investors' relief, for the purposes of section 3(4) and (8).

Assets transferred on or after 6 April 2025 under unconditional contract made before 30 October 2024

- 11 If an asset is transferred on or after 6 April 2025 under an unconditional contract made before 30 October 2024, the disposal is, despite section 28(1) of TCGA 1992, to be treated as taking place at the time the asset is transferred (rather than at the time the contract is made) unless the contract is an excluded contract.

Assets transferred on or after 6 April 2025 under unconditional contract made on or after 30 October 2024 but before 6 April 2025

- 12 If an asset is transferred on or after 6 April 2025 under an unconditional contract made on or after 30 October 2024 but before 6 April 2025, the disposal is, despite section 28(1) of TCGA 1992, to be treated as taking place at the time the asset is transferred (rather than at the time the contract is made) unless the contract is an excluded contract.

Assets transferred on or after 6 April 2026 under unconditional contract made in tax year 2025-26

- 13 If an asset is transferred on or after 6 April 2026 under an unconditional contract made at any time in the tax year 2025-26, the disposal is, despite section 28(1) of TCGA 1992, to be treated as taking place at the time the asset is transferred (rather than at the time the contract is made) unless the contract is an excluded contract.

Paragraphs 11 to 13: supplementary provision

- 14 (1) A contract is an excluded contract for the purposes of paragraphs 11 to 13 if—

- (a) obtaining an advantage by reason of the application of section 28(1) of TCGA 1992 was no purpose of entering into the contract, and
 - (b) where the parties to the contract are connected persons, the contract was entered into wholly for commercial reasons.
- (2) A contract is not to be regarded as an excluded contract for the purposes of paragraphs 11 to 13 unless the person making the transfer makes a claim which includes a statement that the contract meets the conditions to be an excluded contract.
- (3) But no claim is required if the total amount of—
- (a) the chargeable gain accruing on the disposal, and
 - (b) the chargeable gains accruing on all other disposals made under excluded contracts (including contracts which are excluded contracts for the purposes of paragraph 7),
- does not exceed £100,000.
- (4) For this purpose the amount of any gain accruing on a qualifying business disposal is to taken to be the amount of the gain under section 169N(2) of TCGA 1992.
- (5) If the person making the transfer referred to in paragraphs 11 to 13 makes—
- (a) a claim under section 169M of TCGA 1992 in relation to a qualifying business disposal (business asset disposal relief), or
 - (b) a claim under section 169VM of that Act (investors’ relief) in relation to a disposal,
- section 169M(2) and (3) of that Act, or (as the case may be) section 169VM(1) and (2) of that Act, apply to a claim under sub-paragraph (2) in relation to the disposal as they apply to a claim under the section concerned.
- (6) Any reference in paragraphs 11 to 13 (or this paragraph) to the transfer of an asset includes its conveyance.
- (7) In this paragraph “qualifying business disposal” has the meaning given by Chapter 3 of Part 5 of TCGA 1992.

Business asset disposal relief: reorganisations of share capital before 30 October 2024

- 15 (1) This paragraph applies for the purposes of an election under 169Q of TCGA 1992 in relation to a reorganisation of a company where—
- (a) the reorganisation takes place on or after 6 April 2023 but before 30 October 2024, and
 - (b) the election is made on or after 30 October 2024.
- (2) If, as at 30 October 2024—
- (a) the company is the relevant individual’s personal company and is either a trading company or the holding company of a trading group, and
 - (b) the relevant individual is an officer or employee of the company or (if the company is a member of a trading group) of one or more companies which are members of the trading group,

the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the reorganisation.

- (3) For this purpose “the relevant individual” means –
- (a) where a claim under section 169M of TCGA 1992 is made jointly by the trustees of a settlement and a qualifying beneficiary, the qualifying beneficiary, and
 - (b) where a claim under that section is made by an individual, the individual.
- (4) In this paragraph –
- “holding company” has the same meaning as in section 165 of TCGA 1992 (see section 165A),
 - “the original shares” has the meaning given by section 126 of TCGA 1992,
 - “reorganisation” has the meaning given by that section, and
 - “trading company” and “trading group” have the meaning given by paragraph 1 of Schedule 7ZA to TCGA 1992.
- (5) References in this paragraph to a reorganisation do not include an exchange of shares or securities which is treated as a reorganisation by virtue of section 135 or 136 of TCGA 1992 (but see instead paragraph 17).

Business asset disposal relief: reorganisations of share capital on or after 30 October 2024 but before 6 April 2026

- 16 (1) This paragraph applies for the purposes of an election under 169Q of TCGA 1992 in relation to a reorganisation of a company where –
- (a) the reorganisation takes place on or after 30 October 2024 but before 6 April 2026, and
 - (b) the election is made on or after 30 October 2024.
- (2) If, when the election is made –
- (a) the company is the relevant individual’s personal company and is either a trading company or the holding company of a trading group, and
 - (b) the relevant individual is an officer or employee of the company or (if the company is a member of a trading group) of one or more companies which are members of the trading group,
- the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the reorganisation.
- (3) If, at any time (“the relevant time”) before the making of the election, anything mentioned in sub-paragraph (2)(a) or (b) ceases to be as mentioned there, the disposal of the original shares is to be treated as taking place immediately before the relevant time and not at the time of the reorganisation.
- (4) For the purposes of this paragraph “the relevant individual” means –

- (a) where a claim under section 169M of TCGA 1992 is made jointly by the trustees of a settlement and a qualifying beneficiary, the qualifying beneficiary, and
 - (b) where a claim under that section is made by an individual, the individual.
- (5) In this paragraph –
- “holding company” has the same meaning as in section 165 of TCGA 1992 (see section 165A),
 - “the original shares” has the meaning given by section 126 of TCGA 1992,
 - “reorganisation” has the meaning given by that section, and
 - “trading company” and “trading group” have the meaning given by paragraph 1 of Schedule 7ZA to TCGA 1992.
- (6) References in this paragraph to a reorganisation do not include an exchange of shares or securities which is treated as a reorganisation by virtue of section 135 or 136 of TCGA 1992 (but see instead paragraph 18).
- (7) This paragraph does not apply if both the reorganisation and the election occur in the same tax year.

Business asset disposal relief: exchanges of securities etc before 30 October 2024

- 17 (1) This paragraph applies for the purposes of an election under section 169Q of TCGA 1992 in relation to an exchange of shares or securities within section 135(1) of TCGA 1992 where –
- (a) the exchange takes place on or after 6 April 2023 but before 30 October 2024, and
 - (b) the election is made on or after 30 October 2024.
- (2) If condition A or B is met, the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the exchange.
- (3) Condition A is that –
- (a) the persons who hold shares or securities in company B immediately after the exchange are substantially the same as those who held shares or securities in company A immediately before the exchange, or
 - (b) the persons who have control of company B immediately after the exchange are substantially the same as those who had control of company A immediately before the exchange,
- and, for the purposes of paragraph (a), connected persons are to be treated as the same person.
- (4) Condition B is that –
- (a) the shareholders who, immediately before and after the exchange, hold shares or securities in company A and company B respectively hold a greater percentage of the ordinary share capital in company

- B immediately after the exchange than they held in company A immediately before the exchange, and
- (b) as at 30 October 2024—
- (i) company B is the relevant individual’s personal company and is either a trading company or the holding company of a trading group, and
 - (ii) the relevant individual is an officer or employee of company B or (if company B is a member of a trading group) of one or more companies which are members of the trading group.
- (5) For this purpose “the relevant individual” means—
- (a) where a claim under section 169M of TCGA 1992 is made jointly by the trustees of a settlement and a qualifying beneficiary, the qualifying beneficiary, and
 - (b) where a claim under that section is made by an individual, the individual.
- (6) If, before the exchange, the Commissioners for His Majesty's Revenue and Customs have issued a notification in respect of it under section 138(1) of TCGA 1992 (advance clearance procedure)—
- (a) sections 127 to 131 of that Act apply with the necessary adaptations as if—
 - (i) company A and company B were the same company, and
 - (ii) the exchange were a reorganisation, and
 - (b) section 169Q of that Act applies as if the exchange were treated as a reorganisation by virtue of section 135 of that Act.
- (7) In this paragraph—
- “company A” and “company B” have the same meanings as in section 135 of TCGA 1992,
 - “holding company” has the same meaning as in section 165 of TCGA 1992 (see section 165A),
 - “the original shares” has the meaning given by section 126 of TCGA 1992, and
 - “trading company” and “trading group” have the meaning given by paragraph 1 of Schedule 7ZA to TCGA 1992.

Business asset disposal relief: exchanges of securities etc on or after 30 October 2024 but before 6 April 2026

- 18 (1) This paragraph applies for the purposes of an election under section 169Q of TCGA 1992 in relation to an exchange of shares or securities within section 135(1) of TCGA 1992 where—
- (a) the exchange takes place on or after 30 October 2024 but before 6 April 2026, and
 - (b) the election is made on or after 30 October 2024.

- (2) If the following condition is met, the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the exchange.
- (3) The condition is that—
- (a) the persons who hold shares or securities in company B immediately after the exchange are substantially the same as those who held shares or securities in company A immediately before the exchange, or
 - (b) the persons who have control of company B immediately after the exchange are substantially the same as those who had control of company A immediately before the exchange,
- and, for the purposes of paragraph (a), connected persons are to be treated as the same person.
- (4) If—
- (a) the shareholders who, immediately before and after the exchange, hold shares or securities in company A and company B respectively hold a greater percentage of the ordinary share capital in company B immediately after the exchange than they held in company A immediately before the exchange, and
 - (b) the relief conditions are met when the election is made,
- the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the exchange.
- (5) If—
- (a) the shareholders who, immediately before and after the exchange, hold shares or securities in company A and company B respectively hold a greater percentage of the ordinary share capital in company B immediately after the exchange than they held in company A immediately before the exchange, and
 - (b) at any time (“the relevant time”) before the making of the election, the relief conditions cease to be met,
- the disposal of the original shares is to be treated as taking place immediately before the relevant time and not at the time of the exchange.
- (6) For the purposes of this paragraph “the relief conditions” are met if—
- (a) company B is the relevant individual’s personal company and is either a trading company or the holding company of a trading group, and
 - (b) the relevant individual is an officer or employee of company B or (if company B is a member of a trading group) of one or more companies which are members of the trading group.
- (7) For the purposes of this paragraph “the relevant individual” means—
- (a) where a claim under section 169M of TCGA 1992 is made jointly by the trustees of a settlement and a qualifying beneficiary, the qualifying beneficiary, and

- (b) where a claim under that section is made by an individual, the individual.
- (8) If, before the exchange, the Commissioners for His Majesty's Revenue and Customs have issued a notification in respect of it under section 138(1) of TCGA 1992 (advance clearance procedure) –
 - (a) sections 127 to 131 of that Act apply with the necessary adaptations as if –
 - (i) company A and company B were the same company, and
 - (ii) the exchange were a reorganisation, and
 - (b) section 169Q of that Act applies as if the exchange were treated as a reorganisation by virtue of section 135 of that Act.
- (9) In this paragraph –
 - “company A” and “company B” have the same meanings as in section 135 of TCGA 1992,
 - “holding company” has the same meaning as in section 165 of TCGA 1992 (see section 165A),
 - “the original shares” has the meaning given by section 126 of TCGA 1992, and
 - “trading company” and “trading group” have the meaning given by paragraph 1 of Schedule 7ZA to TCGA 1992.
- (10) This paragraph does not apply if both the exchange and the election occur in the same tax year.

Investors' relief: reorganisations of share capital before 30 October 2024

- 19 (1) This paragraph applies for the purposes of an election under section 169VT of TCGA 1992 in relation to a reorganisation of a company where –
 - (a) the reorganisation takes place on or after 6 April 2023 but before 30 October 2024, and
 - (b) the election is made on or after 30 October 2024.
- (2) If, as at 30 October 2024, a relevant individual holds qualifying shares or potentially qualifying shares, the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the reorganisation.
- (3) For this purpose “a relevant individual” means –
 - (a) where a claim under section 169VM of TCGA 1992 is made jointly by the trustees of a settlement and an eligible beneficiary, an eligible beneficiary, and
 - (b) where a claim under that section is made by an individual, the individual.
- (4) References in this paragraph to a reorganisation are to a reorganisation within the meaning of section 126 of TCGA 1992 or an exchange of shares or securities which is treated as such a reorganisation by virtue of section

135 or 136 of that Act, applying for the purposes of this paragraph the provision made by sections 169VN to 169VS of that Act.

- (5) In this paragraph “qualifying shares” and “potentially qualifying shares” have the meaning given by section 169VB of that Act.
- (6) This paragraph does not apply if both the reorganisation and the election occur in the same tax year.

Investors’ relief: reorganisations of share capital on or after 30 October 2024 but before 6 April 2026

- 20 (1) This paragraph applies for the purposes of an election under section 169VT of TCGA 1992 in relation to a reorganisation of a company where—
 - (a) the reorganisation takes place on or after 30 October 2024 but before 6 April 2026, and
 - (b) the election is made on or after 30 October 2024.
- (2) If, when the election is made, a relevant individual holds qualifying shares or potentially qualifying shares, the disposal of the original shares is to be treated as taking place at the time of the election and not at the time of the reorganisation.
- (3) If, at any time (“the relevant time”) before the making of the election, a relevant individual ceases to hold qualifying shares or potentially qualifying shares, the disposal of the original shares is to be treated as taking place immediately before the relevant time and not at the time of the reorganisation.
- (4) For the purposes of this paragraph “a relevant individual” means—
 - (a) where a claim under section 169VM of TCGA 1992 is made jointly by the trustees of a settlement and an eligible beneficiary, an eligible beneficiary, and
 - (b) where a claim under that section is made by an individual, the individual.
- (5) References in this paragraph to a reorganisation are to a reorganisation within the meaning of section 126 of TCGA 1992 or an exchange of shares or securities which is treated as such a reorganisation by virtue of section 135 or 136 of that Act, applying for the purposes of this paragraph the provision made by sections 169VN to 169VS of that Act.
- (6) In this paragraph “qualifying shares” and “potentially qualifying shares” have the meaning given by section 169VB of that Act.
- (7) This paragraph does not apply if both the reorganisation and the election occur in the same tax year.

Interpretation

- 21 This Part of this Schedule is to be read as if it were contained in TCGA 1992.