

1 Chargeable gains (miscellaneous)

Schedule 1 makes provision—

- (a) for the obligation to make a return for disposals of UK land to cease on delivery of an ordinary tax return,
- (b) about capital sums derived from assets, and
- (c) about protected cell companies.

SCHEDULE 1

Section 1

CHARGEABLE GAINS

Late filing penalties for returns for disposals of UK land etc

- 1 (1) In Schedule 2 to FA 2019 (returns for disposals of UK land etc), after paragraph 5 insert—

“5A (1) This paragraph applies if—

- (a) a person is required to make and deliver a return under this Schedule in respect of a disposal,
- (b) the person does not deliver the return on or before the filing date, and
- (c) at any time after the filing date the person delivers to an officer of Revenue and Customs the person’s ordinary tax return containing a self-assessment that takes account of the disposal.

- (2) The person ceases to be required to make or deliver the return under this Schedule from that time.

- (3) Paragraph 5(2) applies for the purposes of sub-paragraph (1)(c) as it applies for the purposes of paragraph 5(1)(a).”

- (2) In Schedule 55 to FA 2009 (penalty for failure to make returns etc), in paragraph 4, after sub-paragraph (3) insert—

“(4) For the purposes of this paragraph and paragraphs 5 and 6, P’s failure to deliver a return falling within item 2A is no longer continuing at any time after P has ceased to be required to deliver the return (see paragraph 5A of Schedule 2 to FA 2019).”

- (3) The amendments made by this paragraph have effect where a person’s ordinary tax return is delivered on or after 28 October 2026.

Capital sums in return for surrender of rights

- 2 (1) In section 22 of TCGA 1992 (disposal where capital sums derived from assets), after subsection (1) insert—

“(1A) For the purposes of subsection (1)(c), a capital sum received in return for surrender of rights includes a capital sum received under a contract in return for the loss of rights under that contract.”

- (2) The amendment made by this paragraph has effect in relation to capital sums received on or after 28 October 2026.

Gains attributed to UK resident individuals etc: protected cell companies

- 3 (1) TCGA 1992 is amended as follows.

- (2) In section 3 (gains attributed to UK resident individuals etc), for subsection (11) substitute –
- “(11) For the purposes of this section –
- (a) a gain or loss accruing to a non-UK resident cell company on the disposal of an asset is to be treated as accruing to –
 - (i) the cell to which the asset is attributable, or
 - (ii) where the asset is attributable to more than one cell, to each such cell to the extent the asset is so attributable, and
 - (b) a non-UK resident close cell is to be treated as if it were a non-UK resident close company.
- (12) Accordingly, references in this section (but not in sections 3A to 3G) to a company include references to a cell.
- (13) For the purposes of this section and sections 3A to 3G –
- “a non-UK resident close company” means a company –
- (a) which is not resident in the United Kingdom, and
 - (b) which would be a close company if it were resident in the United Kingdom;
- “a non-UK resident cell company” means a cell company which is not resident in the United Kingdom;
- “a non-UK resident close cell” means a cell –
- (a) which is part of a non-UK resident cell company, and
 - (b) which would be a close company if it were a separate company resident in the United Kingdom;
- a company is a “cell company” if under the law under which the company is formed, under the company’s articles of association or other document regulating the company or under arrangements entered into by or in relation to the company –
- (a) some or all of the assets of the company are available primarily, or only, to meet particular liabilities of the company, and
 - (b) some or all of the members of the company, and some or all of its creditors, have rights primarily, or only, in relation to particular assets of the company;
- “a cell” means an identifiable part of a cell company to which particular assets and liabilities of the company are primarily or wholly attributable.”
- (3) In section 3A (gains connected to avoidance or foreign activities etc), in subsection (1), in the opening words, after “company” insert “or a cell which forms part of a cell company”.
- (4) In section 3B (participators and their interests) –
- (a) at the end of subsection (1) insert “(but see subsection (6A))”;

- (b) after subsection (6) insert—
 - “(6A) A cell is a participator in a company (“A”) if—
 - (a) the cell company of which the cell forms part is a participator in A, and
 - (b) the interest or share in the capital or income of A by virtue of which that company is such a participator is attributable to any extent to the cell.
 - (6B) For the purposes of this section—
 - (a) references in this section to a person include references to any cell that is not a person, and
 - (b) references in section 454 of CTA 2010 and this section to a company include references to a cell.”
- (5) In section 3C (prevention of UK double taxation)—
 - (a) in subsection (1)(a), after “gain” insert “accruing to a company or a cell which forms part of a cell company”;
 - (b) at the end of subsection (2)(a) insert “or the cell or cell company of which the cell forms part”;
 - (c) in subsection (3)(a), after “accrued” insert “or, where the gain accrued to a cell, the cell company of which the cell forms part”;
 - (d) at the end of subsection (4) insert “or cell”;
 - (e) at the end of subsection (5)(b) insert “or the cell or cell company of which the cell forms part”.
- (6) In section 3F (non-resident groups of companies), in subsection (1) after “non-resident companies” insert “which are not cell companies and”.
- (7) In section 3G (supplementary provisions), in subsection (3), after “company”, in the first place it occurs, insert “or a cell which forms part of a cell company”.
- (8) The amendments made by this paragraph have effect in relation to gains accruing on or after 28 October 2026.