

## SCHEDULES

### SCHEDULE 8

Section 38

#### RELEVANT HIGH VALUE DISPOSALS: GAINS AND LOSSES

##### *Introduction*

1 The Taxation of Chargeable Gains Act 1992 is amended as follows.

##### *“Relevant high value disposal”*

- 2 (1) Section 2C (“relevant high value disposal”) is amended as follows.
- (2) In subsection (6), in the definition of “the relevant ownership period” for “6 April 2013” substitute “6 April in the relevant year”.
- (3) In that subsection, after that definition insert—  
““the relevant year” means—  
(a) in Case 1 in paragraph 2 of Schedule 4ZZA, 2013;  
(b) in Case 2 in that paragraph, 2015;  
(c) in Case 3 in that paragraph, 2016;”.
- (4) In subsection (7)(b), for “1 April 2013” substitute “1 April in the relevant year”.

##### *Threshold amount for the tax year 2015-16*

- 3 (1) Section 2D (CGT on ATED-related gains: the threshold amount) is amended as follows.
- (2) In subsection (2) for “£2 million” substitute “£1 million”.
- (3) In subsection (3) for “£2 million” substitute “£1 million”.
- (4) In subsection (5) for ““£2 million”” substitute ““£1 million””.
- (5) The amendments made by this paragraph have effect in relation to disposals occurring in the tax year 2015-16.

##### *Threshold amount from 6 April 2016*

- 4 (1) Section 2D (CGT on ATED-related gains: the threshold amount) is amended as follows.
- (2) In subsection (2) for “£1 million” substitute “£500,000”.
- (3) In subsection (3) for “£1 million” substitute “£500,000”.
- (4) In subsection (5) for ““£1 million”” substitute ““£500,000””.

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- (5) The amendments made by this paragraph have effect in relation to disposals occurring on or after 6 April 2016.

*Restriction of losses*

- 5 In section 2E (restriction of losses), in subsection (3)—
- (a) after “5 April 2013” insert “etc”, and
  - (b) for “post-April 2013” substitute “post-commencement”.

*Calculation of gains and losses*

- 6 Schedule 4ZZA (relevant high value disposals: gains and losses) is amended as follows.
- 7 For the italic heading before paragraph 2 substitute “Assets held on 5 April 2013, 5 April 2015 or 5 April 2016: no paragraph 5 election”.
- 8 For paragraph 2 substitute—
- “2 (1) In Cases 1 to 3 below—
    - (a) paragraph 3 applies for the purposes of computing the gain or loss accruing to P which is ATED-related, and
    - (b) paragraph 4 applies for the purposes of computing the gain or loss accruing to P which is not ATED-related.
  - (2) Case 1 is that—
    - (a) the interest disposed of was held by P on 5 April 2013, and
    - (b) neither Case 2 nor Case 3 applies.
  - (3) Case 2 is that—
    - (a) the interest disposed of was held by P on 5 April 2015,
    - (b) Case 3 does not apply, and
    - (c) no relevant single dwelling interest was subject to ATED on one or more days in the period ending with 31 March 2015 during which P held the interest disposed of.
  - (4) Case 3 is that—
    - (a) the interest disposed of was held by P on 5 April 2016, and
    - (b) no relevant single dwelling interest was subject to ATED on one or more days in the period ending with 31 March 2016 during which P held the interest disposed of.
  - (5) For the purposes of this paragraph—
    - (a) “relevant single-dwelling interest” means the single-dwelling interest by reference to which Condition B in section 2C is met in relation to the relevant high value disposal, or, if Condition B is met by reference to more than one such interest, each of them;
    - (b) a relevant single dwelling interest is “subject to ATED” on a day if P—
      - (i) was within the charge to annual tax on enveloped dwellings with respect to that interest on that day, or

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(ii) would have been within that charge but for the day being “relievable” by virtue of any of the provisions mentioned in section 132 of the Finance Act 2013 (ATED: effect of reliefs).

(6) In paragraphs 3 and 4, “the relevant year” means—  
(a) in relation to Case 1, 2013;  
(b) in relation to Case 2, 2015;  
(c) in relation to Case 3, 2016.”

- 9 (1) Paragraph 3 is amended as follows.
- (2) In sub-paragraph (1) for “post-April 2013” substitute “post-commencement”.
- (3) In sub-paragraph (2)—  
(a) for “post-April 2013” substitute “post-commencement”, and  
(b) for “5 April 2013” substitute “5 April in the relevant year”.
- (4) In sub-paragraph (5), for “6 April 2013” substitute “6 April in the relevant year”.
- 10 (1) Paragraph 4 is amended as follows.
- (2) In sub-paragraph (1)—  
(a) for “pre-April 2013” substitute “pre-commencement”, and  
(b) for “post-April 2013”, in both places, substitute “post-commencement”.
- (3) In sub-paragraph (2)—  
(a) for “pre-April 2013” substitute “pre-commencement”, and  
(b) for “5 April 2013” substitute “5 April in the relevant year”.
- (4) In sub-paragraph (4) for “post-April 2013” substitute “post-commencement”.
- (5) In sub-paragraph (5) for “pre-April 2013” substitute “pre-commencement”.
- 11 (1) Paragraph 5 is amended as follows.
- (2) In sub-paragraph (1) for “5 April 2013” substitute “5 April in the relevant year”.
- (3) In sub-paragraph (3) for “6 April 2013” substitute “6 April in the relevant year”.
- (4) For sub-paragraph (6) substitute—  
“(6) In this paragraph—  
“chargeable interest” has the same meaning as in Part 3 of the Finance Act 2013 (annual tax on enveloped dwellings) (see section 107 of that Act);  
“relevant year” has the meaning given by paragraph 2.”
- 12 In the italic heading before paragraph 6, for “assets acquired after 5 April 2013” substitute “or none of Cases 1 to 3 apply”.
- 13 In paragraph 6, for sub-paragraph (1)(b) substitute—  
“(b) none of Cases 1, 2 and 3 in paragraph 2 applies to the disposal.”