
DRAFT STATUTORY INSTRUMENTS

2009 No.

The Enactment of Extra-Statutory Concessions Order 2009

The Taxation of Chargeable Gains Act 1992

Sale of private residence under certain agreements with employer, etc

10.—(1) After section 225B of the Taxation of Chargeable Gains Act 1992 (inserted by article 9 of this Order) insert—

“225C Sale of private residence under certain agreements with employer, etc

(1) This section applies where—

- (a) an individual disposes of, or of an interest in, a dwelling-house or a part of a dwelling-house which is the individual’s only or main residence (“the initial disposal”),
- (b) the individual does so as a consequence of a change to the situation of the individual’s place of work or that of a co-owner of the dwelling-house or the interest, being a change that is required by the employer of the individual or the co-owner, and
- (c) the initial disposal is under a home purchase agreement.

(2) If—

- (a) under the terms of the agreement the individual receives, within three years of the initial disposal, a share of any profit made by the purchaser upon the purchaser’s disposal of, or of an interest in, the dwelling-house or part of the dwelling-house, and
- (b) the receipt of that sum would be treated (apart from this section) as a disposal falling within section 22 (disposal where capital sums derived from assets),

that receipt shall be treated for the purposes of this Act as a gain attributable to the initial disposal but accruing to the individual at the time the sum is received.

(3) In this section—

“home purchase agreement” means an agreement—

- (a) made with the employer or a person operating under an agreement with the employer (“the purchaser”),
- (b) which includes a term entitling the individual to receive a share of any such profit as is mentioned in subsection (2)(a);

“co-owner”, in relation to any individual (“A”), means another individual who holds an interest jointly or in common with A, whether or not the interests of the co-owners are equal.”.

(2) The amendment made by this article has effect in relation to disposals on or after 6th April 2009.