



# Finance Act 2012

## 2012 CHAPTER 14

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 4

#### CAPITAL GAINS

#### **34 Annual exempt amount**

- (1) TCGA 1992 is amended as follows.
- (2) In section 3 (annual exempt amount), for the figure specified in subsection (2) substitute “£10,600”.
- (3) In that section—
  - (a) in each of subsections (3), (3A), (3B) and (4), for “RPI” substitute “CPI”, and
  - (b) in subsection (3A), for “retail prices index” substitute “consumer prices index”.
- (4) In section 288 (interpretation), after subsection (2) insert—

“(2A) In this Act “consumer prices index” means the all items consumer prices index published by the Statistics Board.”
- (5) The amendment made by subsection (2) has effect for the tax year 2012-13 and subsequent tax years.
- (6) Section 3(3) of TCGA 1992 (indexation) does not apply in relation to the tax year 2012-13.
- (7) The amendments made by subsections (3) and (4) have effect for the tax year 2013-14 and subsequent tax years.

### **35 Foreign currency bank accounts**

- (1) TCGA 1992 is amended as follows.
- (2) In section 13 (attribution of gains to members of non-resident companies), in subsection (5), omit paragraph (c).
- (3) In section 251 (debts: general provisions), after subsection (5) insert—
  - “(5A) References in this section to the disposal of a debt include the disposal of an interest in a debt (and, in the case of an interest in a debt, the reference in subsection (3) to the amount of the debt is to the amount of the person’s interest in the debt).”
- (4) For section 252 substitute—

#### **“252 Foreign currency bank accounts**

- (1) Section 251(1) does not apply in relation to a gain accruing to a person on a disposal of a foreign currency debt (or an interest in such a debt) unless that person is—
  - (a) an individual,
  - (b) the trustees of a settlement, or
  - (c) the personal representatives of a deceased person.
- (2) A “foreign currency debt” is a debt—
  - (a) owed by a bank in a currency other than sterling, and
  - (b) represented by a sum standing to the credit of an account-holder in an account in that bank.”
- (5) Omit section 252A and Schedule 8A (foreign currency bank accounts).
- (6) The amendments made by this section have effect in relation to disposals occurring on or after 6 April 2012.

### **36 Collective investment schemes: chargeable gains**

- (1) TCGA 1992 is amended as follows.
- (2) In section 99A(2) (treatment of umbrella schemes), after “subsection (1)” insert “and section 103C”.
- (3) After section 103B insert—

#### **“103C Power to make regulations about collective investment schemes**

- (1) The Treasury may by regulations make provision about the treatment of participants in collective investment schemes for the purposes of this Act.
- (2) The regulations may, in particular, specify descriptions of collective investment scheme in relation to which they are to apply.
- (3) Regulations under this section may make different provision for different cases or different purposes.
- (4) Regulations under this section—

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- (a) may modify this Act or any other enactment or instrument (whenever passed or made), and
  - (b) may include incidental, consequential, supplementary or transitional provision.
- (5) A statutory instrument containing regulations under this section must be laid before the House of Commons after being made.
- (6) The regulations cease to have effect at the end of the period of 40 days beginning with the day on which the instrument is made unless before the end of that period the instrument is approved by a resolution of the House of Commons.
- (7) After an instrument containing regulations under this section has been approved under subsection (6), subsections (5) and (6) do not apply to any subsequent such instrument (and accordingly section 287(3) applies to any such instrument).
- (8) If regulations cease to have effect as a result of subsection (6), that does not—
- (a) affect anything previously done under the regulations, or
  - (b) prevent the making of new regulations to the same or similar effect.
- (9) In calculating the period of 40 days for the purposes of subsection (6), no account is to be taken of any time during which Parliament is dissolved or prorogued or during which the House of Commons is adjourned for more than 4 days.
- (10) In this section—
- “modify” includes amend, repeal or revoke, and
  - “participant”, in relation to a collective investment scheme, is to be read in accordance with section 235 of the Financial Services and Markets Act 2000.”

### **37 Roll-over relief**

- (1) In section 155 of TCGA 1992 (roll-over relief: relevant classes of assets), in the entry for Class 7A, for “Council Regulation (EC) No. 1782/2003” substitute “Council Regulation (EC) No 73/2009”.
- (2) In section 86 of FA 1993, for subsection (2) (power to add to classes specified in section 155 of TCGA 1992) substitute—
- “(2) The Treasury may by order made by statutory instrument amend section 155 of the Taxation of Chargeable Gains Act 1992 (roll-over relief: relevant classes of assets) so as to add to or amend the classes of assets specified in that section.
  - (2A) But an order under subsection (2) may not restrict the assets which fall within a class listed in that section (whether by virtue of subsection (2) or otherwise).
  - (2B) An order under subsection (2) may make such consequential amendments of section 156ZB of, or Schedule 7AB to, the Taxation of Chargeable Gains Act 1992 as appear to the Treasury to be appropriate.”
- (3) Accordingly, section 43(3) of FA 2002 is repealed.

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- (4) The amendment made by subsection (1) has effect where the disposal of the old assets (or an interest in them) or the acquisition of the new assets (or an interest in them) is on or after 1 January 2009.