

Part disposals. CGTA75 s51(1) and Sch1 par6 557.—(1) Where a person disposes of an interest or rights in or over an asset and, generally wherever on the disposal of an asset, any description of property derived from that asset remains undisposed of, the sums which under paragraphs (a) and (b) of section 552 (1) are attributable to the asset shall be apportioned both for the purposes of the computation under this Chapter of the gain accruing on the disposal and for the purpose of applying this Chapter in relation to the property which remains undisposed of.

(2) Such portion of the expenditure shall be allowable as a deduction in computing under this Chapter the amount of the gain accruing on the disposal as bears the same proportion to the total of those sums as the value of the consideration for the disposal bears to the aggregate of that value and the market value of the property which remains, and the balance of the expenditure shall be attributed to the property which remains undisposed of.

(3) Any apportionment to be made in pursuance of this section shall be made before the operation of section 555 and, if after a part disposal there is a subsequent disposal of an asset, the capital allowances or renewals allowances to be taken into account in pursuance of that section in relation to the subsequent disposal shall, subject to subsection (4), be those referable to the sums which under paragraphs (a) and (b) of section 552 (1) are attributable to the asset whether before or after the part disposal, but those allowances shall be reduced by the amount (if any) by which the loss on the earlier disposal was restricted under that section.

(4) This section shall not be taken as requiring the apportionment of any expenditure which on the facts is wholly attributable to the asset or part of the asset which is disposed of or wholly attributable to the asset or part of the asset which remains undisposed of.