

Chattel exemption. CGTA75 s17 602.—(1) In this section, tangible movable property shall not include a wasting asset within the meaning of section 560.

(2) Subject to this section, a gain accruing on a disposal by an individual of an asset which is tangible movable property shall not be a chargeable gain if the amount or value of the consideration for the disposal does not exceed £2,000.

(3) (a) The amount of capital gains tax chargeable in respect of a gain accruing on a disposal within subsection (2) for a consideration the amount or value of which exceeds £2,000 shall not exceed 50 per cent of the difference between the amount of that consideration and £2,000.

(b) For the purposes of this subsection, the capital gains tax chargeable in respect of the gain shall be the amount of tax which would not have been chargeable but for that gain.

(4) Subsections (2) and (3) shall not affect the amount of an allowable loss accruing on the disposal of an asset, but for the purposes of computing under the Capital Gains Tax Acts the amount of a loss accruing on the disposal by an individual of tangible movable property the consideration for the disposal shall, if less than £2,000, be deemed to be £2,000 and the losses which are allowable losses shall be restricted accordingly.

(5) Where 2 or more assets which have formed part of a set of articles of any description all owned at one time by one person are disposed of by that person—

(a) to the same person, or

(b) to persons who are acting in concert or who are connected persons,

whether on the same or different occasions, the 2 or more transactions shall be treated as a single transaction disposing of a single asset, but with any necessary apportionments of the reductions in tax and in allowable losses under subsections (3) and (4), and this subsection shall also apply where the assets or some of the assets are disposed of on different occasions, and one of those occasions falls after the 28th day of February, 1974, but before the 6th day of April, 1974, but not so as to make any gain accruing on a disposal before the 6th day of April, 1974, a chargeable gain.

(6) Where the disposal is of a right or interest in or over tangible movable property, then—

(a) in the first instance, subsections (2) to (4) shall be applied in relation to the asset as a whole, taking the consideration as including, in addition to the consideration for the disposal (in this subsection referred to as “the actual consideration”), the market value of what remains undisposed of,

(b) if the sum of the actual consideration and that market value exceeds £2,000, the limitation on the amount of tax in subsection (3) shall be to 50 per cent of the difference between that sum and £2,000 multiplied by the fraction equal to the actual consideration divided by that sum, and

(c) if that sum is less than £2,000, any loss shall be restricted under subsection (4) by deeming the consideration to be the actual consideration plus that fraction of the difference between that sum and £2,000.

(7) This section shall not apply—

(a) in relation to a disposal of commodities of any description by a person dealing on a terminal market or dealing with or through a person ordinarily engaged in dealing on a terminal market, or

(b) in relation to a disposal of currency of any description.