

Assets derived from other assets. CGTA75 s51(1) and Sch1 par7 559.—(1) If and in so far as, in a case where assets have been merged or divided or have changed their nature, or rights or interests in or over assets have been created or extinguished, the value of an asset is derived from any other asset in the same ownership, an appropriate proportion of the sums allowable as a deduction in respect of the other asset under paragraphs (a) and (b) of section 552 (1) shall, both for the purpose of the computation of a gain accruing on the disposal of the first-mentioned asset and, if the other asset remains in existence, on a disposal of that other asset, be attributed to the first-mentioned asset.

(2) The appropriate proportion shall be computed by reference to the market value at the time of disposal of the assets (including rights or interests in or over the assets) which have not been disposed of and the consideration received in respect of the assets (including rights or interests in or over the assets) disposed of.