

Exemption where disposition was made by the donee or successor. CATA 1976 s59 83.—(1) In this section, “company” means a body corporate (wherever incorporated), other than a private company within the meaning of section 27.

(2) Tax is not chargeable on a gift or an inheritance taken by the donee or successor under a disposition made by that donee or successor.

(3) Where, at the date of the gift, 2 companies are associated in the manner described in subsection (4), a gift taken by one of them under a disposition made by the other is deemed to be a gift to which subsection (2) applies.

(4) For the purposes of subsection (3), 2 companies shall be regarded as associated if—

(a) one company would be beneficially entitled to not less than 90 per cent of any assets of the other company available for distribution to the owners of its shares and entitlements of the kind referred to in section 43 (1) on a winding up, or

(b) a third company would be beneficially entitled to not less than 90 per cent of any assets of each of them available as in paragraph (a).