

Mortgages and charges not to be treated as disposals. CGTA75 s8(4), (5) and (6) 537.—(1) The conveyance or transfer as security of an asset or of an interest or right in or over an asset, or the transfer of a subsisting interest or right as security in or over an asset (including a retransfer on redemption of the security), shall not be treated for the purposes of the Capital Gains Tax Acts as involving any acquisition or disposal of the asset.

(2) Where a person entitled to an asset as security or to the benefit of a charge or incumbrance on an asset deals with the asset for the purpose of enforcing or giving effect to the security, charge or incumbrance, such person's dealings with the asset shall be treated for the purposes of the Capital Gains Tax Acts as if they were done through such person as nominee by the person entitled to the asset subject to the security, charge or incumbrance, and this subsection shall apply to the dealings of any person appointed to enforce or give effect to the security, charge or incumbrance as receiver and manager or judicial factor as it applies to the dealings of the person so entitled.

(3) An asset shall be treated as having been acquired free of any interest or right as security subsisting at the time of any acquisition of the asset, and as being disposed of free of any such interest or right subsisting at the time of the disposal and, where an asset is acquired subject to any such interest or right, the full amount of the liability thereby assumed by the person acquiring the asset shall form part of the consideration for the acquisition and disposal in addition to any other consideration.