HMRC - OT30135 - Agreement Of The Farmer In To Valuation

Where the consideration given by the farmer in is wholly or partly by way of rights (that is, the work obligation or subordinated interests to a share of future profit), it is important that the agreement of the farmer in to the value of the rights is obtained wherever possible. Otherwise, any value agreed with the farmer out could be open to challenge in the event of a future disposal by the farmer-in of the rights and/or licence interest.

The Capital Gains Tax Regulations 1967 (SI67 No 149) deal with appeals and other matters relating to the agreement of the market value of an asset on a particular date, or the apportionment of an amount or value affecting the liability to capital gains tax of more than one person.

If the HMRC advises the farmer in that the valuation is under negotiation, he is bound by the determined value whether or not he chooses to be joined as a party. The farmer in should be approached under Regulation 11 and advised of his rights under Regulation 8.

TCGA92\S8(5) applies TCGA92 (including its Regulations) to Corporation Tax on chargeable gains.

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