GOV.UK

HMRC internal manual

Capital Gains Manual

From: **HM Revenue & Customs (/government/organisations/hm-revenue-customs)**

Published: 12 March 2016

Updated: 7 September 2026 - **See all updates (/hmrc-internal-manuals/capital-gains-manual/updates)**

CG51550 - Share identification rules for capital gains tax from 6.4.2008: outline

Share pooling was reintroduced for disposals on or after 6 April 2008 for those within the charge to Capital Gains Tax. Shares of the same class in the same company acquired at any time by a person in the same capacity will normally become part of the Section 104 holding. The Section 104 holding is simply the share pool. However, shares that are identified with acquisitions under the ‘same day’ or `bed and breakfasting’ identification rules do not become part of the pool.

The Section 104 holding is a pool of qualifying expenditure as regards the number of shares in the holding.

The pool grows whenever further shares are acquired that enter the pool and reduces when there is a disposal of shares from the pool. See CG51575 for more detail about how the Section 104 holding operates.

For disposals on or after 6 April 2008 -

- No indexation allowance is included in any calculation
- Any shares held on 6 April 1982 are included at their value on 31 March 1982. It is not necessary to consider whether they should be included at their original cost (the “kink test”). CG51570 explains how 1982 holdings are converted into a Section 104 holding.

→ **Next page (/hmrc-internal-manuals/capital-gains-manual/cg51555)**