Taxation of Chargeable Gains Act 1992

Changes to legislation:

Taxation of Chargeable Gains Act 1992, Section 16 is up to date with all changes known to be in force on or before 10 September 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

▼ View outstanding changes

16 Computation of losses.

(1) Subject to [F1 sections 261B, 261D and 263ZA] and except as otherwise expressly provided, the amount of a loss accruing on a disposal of an asset shall be computed in the same way as the amount of a gain accruing on a disposal is computed.

(2) Except as otherwise expressly provided, all the provisions of this Act which distinguish gains which are chargeable gains from those which are not, or which make part of a gain a chargeable gain, and part not, shall apply also to distinguish losses which are allowable losses from those which are not, and to make part of a

loss an allowable loss, and part not; and references in this Act to an allowable loss shall be construed accordingly.

[F2(2A) A loss accruing to a person in a year of assessment shall not be an allowable loss for the purposes of this Act unless, in relation to that year, he gives a notice to an officer of the Board quantifying the amount of that loss; and sections 42 and 43 of the Management Act shall apply in relation to such a notice as if it were a claim for relief.]

F3(3) . . . .

[F4(3A) If the person is an individual and the year is a split year as respects that individual, subsection (3) also applies to a loss accruing to the individual in the overseas part of that year.]

F5(4) . . . .

[F6(4) A qualifying foreign loss accruing to an individual in a tax year is not an allowable loss if a foreign gain claim, a foreign income claim or a foreign employment election has effect in relation to the individual for that tax year.

(5) In subsection (4), "qualifying foreign loss" has the same meaning as in Schedule D1 (see paragraph 6 of that Schedule).]

Textual Amendments

F1 Words in s. 16(1) substituted (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), **Sch. 1 para. 298** (with Sch. 2)

F2 S. 16(2A) inserted (with effect in accordance with s. 103(7) of the amending Act) by Finance Act 1995 (c. 4), **s. 113(1)**

F3 S. 16(3) omitted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by virtue of Finance Act 2019 (c. 1), **Sch. 1 para. 24**

F4 S. 16(3A) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by Finance Act 2013 (c. 29), **Sch. 45 para. 97**

F5 S. 16(4) omitted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 7 para. 61**

F6 S. 16(4)(5) inserted (for the tax year 2025-26 and subsequent tax years) by Finance Act 2025 (c. 8), **s. 39(6)(11)**

Modifications etc. (not altering text)

C1 S. 16 excluded (with effect in accordance with art. 1(2)(3), Sch. 1 of the amending S.I.) by The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), regs. 1(1), **42(2)**

C2 S. 16 excluded by The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), reg. 85Z4 (as inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2010/294, regs. 1(1), **21**)

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