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Taxation of Chargeable Gains Act 1992

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Changes over time for: Section 257 ?



01/05/1995



24/07/2002



06/04/2007



01/04/2010

Changes to legislation:

Taxation of Chargeable Gains Act 1992, Section 257 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. ?

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257 Gifts to charities etc.

- (1) Subsection (2) below shall apply where a disposal of an asset is made otherwise than under a bargain at arm's length—
- (a) to a charity [\[F1](#) or a registered club], or
 - (b) to any bodies mentioned in Schedule 3 to the [M1](#) Inheritance Tax Act 1984 (gifts for national purposes, etc)

[\[F2](#) and the disposal is not one in relation to which section 151A(1) has effect.]

(2) Sections 17(1) and 258(3) shall not apply; but if the disposal is by way of gift (including a gift in settlement) or for a consideration not exceeding the sums allowable as a deduction under section 38, then—

- (a) the disposal and acquisition shall be treated for the purposes of this Act as being made for such consideration as to secure that neither a gain nor a loss accrues on the disposal, and
- (b) where, after the disposal, the asset is disposed of by the person who acquired it under the disposal, its acquisition by the person making the earlier disposal shall be treated for the purposes of this Act as the acquisition of the person making the later disposal.

[F3](2) Subsection (2B) applies if relief is available under Chapter 3 of Part 8 of ITA 2007 or

A) **[F4]** as a result of Chapter 3 of Part 6 of CTA 2010] (gifts of shares, securities and real property to charities) in relation to the disposal of a qualifying investment to a charity (whether or not a claim for relief is actually made).

(2B) The consideration for which the charity's acquisition of the qualifying investment is treated by virtue of subsection (2) above as having been made—

- [F5]**(a) is reduced by the relievable amount within the meaning of Chapter 3 of Part 8 of ITA 2007 if relief in relation to the disposal is available only under that Chapter,
- (b) is reduced by the relievable amount within the meaning of Chapter 3 of Part 6 of CTA 2010 if relief in relation to the disposal is available only as a result of that Chapter,
- (c) is reduced by the relievable amount within the meaning of Chapter 3 of Part 8 of ITA 2007 if relief in relation to the disposal is available both under that Chapter and as a result of Chapter 3 of Part 6 of CTA 2010 because of section 442 of ITA 2007 and section 214 of CTA 2010, or]
- (d) is reduced to nil if that consideration is less than the amount referred to in paragraph (a), (b) or (c) (as the case may be).

(2C) In subsections (2A) and (2B)—

“qualifying investment” has the same meaning as in Chapter 3 of Part 8 of ITA 2007 (see section 432 of that Act),

F6

F6]

(3) Where—

- (a) otherwise than on the termination of a life interest (within the meaning of section 72) by the death of the person entitled thereto, any assets or parts of any assets forming part of settled property are, under section 71, deemed to be disposed of and reacquired by the trustee, and
- (b) the person becoming entitled as mentioned in section 71(1) is a charity, **[F7]** a registered club] or a body mentioned in Schedule 3 to the Inheritance Tax Act 1984 (gifts for national purposes, etc),

then, if no consideration is received by any person for or in connection with any transaction by virtue of which the charity**[F8]**, registered club] or other body becomes so entitled, the disposal and reacquisition of the assets to which the charity**[F8]**, registered club] or other body becomes so entitled shall, notwithstanding section 71, be treated for the purposes of this Act as made for such consideration as to secure that neither a gain nor a loss accrues on the disposal.

- (4) In subsection (2)(b) above the first reference to a disposal includes a disposal to which section 146(2) of the 1979 Act applied where the person who acquired the asset on that disposal disposes of the asset after the coming into force of this section.

[F9] (5) For the purposes of this section “registered club” has the same meaning as in Chapter 9 of Part 13 of CTA 2010.]

Textual Amendments

- F1** Words in s. 257(1)(a) inserted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 258\(2\)](#) (with [Sch. 2](#))
- F2** Words in s. 257(1) inserted (with effect in accordance with s. 72(8) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 72\(5\)](#)
- F3** S. 257(2A)-(2C) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), [s. 1034\(1\)](#), [Sch. 1 para. 328](#) (with [Sch. 2](#))
- F4** Words in s. 257(2A) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 258\(3\)](#) (with [Sch. 2](#))
- F5** S. 257(2B)(a)-(c) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 258\(4\)](#) (with [Sch. 2](#))
- F6** Words in s. 257(2C) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 258\(5\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F7** Words in s. 257(3) inserted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 258\(6\)\(a\)](#) (with [Sch. 2](#))
- F8** Words in s. 257(3) inserted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 258\(6\)\(b\)](#) (with [Sch. 2](#))
- F9** S. 257(5) inserted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 258\(7\)](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

- C1** S. 257 applied (with modifications) (with effect in accordance with s. 58(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 18 para. 9\(3\)\(b\)](#)

Marginal Citations

- M1** 1984 c. 51.

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