STATUTORY INSTRUMENTS

2015 No. 616

CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX

The Market Value of Shares, Securities and Strips Regulations 2015

Made - - - -	*9th March 2015*
Laid before the House of Commons - - - -	*10th March 2015*
Coming into force - -	*6th April 2015*

The Treasury make the following Regulations in exercise of the powers conferred by section 272(3) and (4) of the Taxation of Chargeable Gains Act 1992(**1**) and section 450 of the Income Tax (Trading and Other Income) Act 2005(**2**).

Citation, commencement, effect and interpretation

1.—(1) These Regulations may be cited as the Market Value of Shares, Securities and Strips Regulations 2015 and come into force on 6th April 2015.

(2) These Regulations have effect where the date of valuation falls on or after that date.

(3) These Regulations apply—

(a) subject to regulation 2(2), for the purposes of the Taxation of Chargeable Gains Act 1992, to determine the market value of shares or securities which are included in the official UK list,

(b) for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 (profits from deeply discounted securities), to determine the market value of a strip, and

(c) for the purposes of section 445(1) the Income Tax (Trading and Other Income) Act 2005 (strips of government securities), to determine the market value of a security exchanged for strips of that security.

(**1**) 1992 c. 12. Section 272 (3) and (4) were substituted by paragraph 4 of Schedule 26 to the Finance Act 2007 (c. 11).
(**2**) 2005 c. 5. Section 450 was substituted by paragraph 5 of Schedule 26 to the Finance Act 2007.

Shares, securities or strips included in the official UK list

2.—(1) The market value at any time of shares, securities or strips which are included in the official UK list is—

(a) on any day the Stock Exchange is open, the lower of the two prices shown in the Stock Exchange Daily Official List for that day as the closing price for the shares, securities or strips on that day plus one-half of the difference between those two figures, and

(b) on any day the Stock Exchange is closed, that value on the latest previous day on which it was open.

(2) But these Regulations do not apply to determine the market value of shares or securities for the purposes of the Taxation of Chargeable Gains Act 1992 where in consequence of special circumstances the closing prices quoted in the Stock Exchange Daily Official List are by themselves not a proper measure of market value of the shares or securities.

Securities or strips listed on recognised stock exchange outside the United Kingdom

3.—(1) The market value at any time of securities or strips which are not included in the official UK list but are listed on a foreign stock exchange is—

(a) on any day the exchange is open, the price shown in the foreign exchange list for that day as the closing price for the securities or strips on that day (or if more than one price is shown the lower price plus one-half of the difference between those two figures), and

(b) on any day the exchange is closed, that value on the latest previous day on which it was open.

(2) If securities are quoted in more than one foreign exchange list—

(a) any foreign exchange list published for a foreign stock exchange which is regarded as the major exchange for such securities is to be used for those purposes in preference to any other such list, but

(b) if no exchange is regarded as the major exchange, any such list published for a foreign stock exchange in the territory in which the issuing company is resident is to be used for the purposes of these Regulations in preference to any other such list.

(3) If a strip or a security exchanged for strips of that security is quoted in more than one foreign exchange list—

(a) any such list published for a foreign stock exchange in the territory of the issuing government is to be used for the purposes of these Regulations in preference to any other such list, and

(b) any such list published for a foreign stock exchange which is regarded as the major exchange in that territory for such strips or securities is to be used for those purposes in preference to any other such list.

(4) In this regulation—

"foreign exchange list" means any publication which performs in the case of a foreign stock exchange a function equivalent, or broadly similar, to that performed by the Stock Exchange Daily Official List,

"foreign stock exchange" means a recognised stock exchange in a territory outside the United Kingdom on which securities or strips are traded.