Capital gains summary notes

Tax year 6 April 2008 to 5 April 2009

HM Revenue & Customs

Contacts

Please phone:
- the number printed on page TR 1 of your Return
- the Helpline on **0845 9000 444**
- the Orderline on **0845 9000 404** for Help Sheets

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Contents

The rules for working out capital gains and losses are sometimes complex but these notes provide general guidance on capital gains together with some specific guidance that should help you fill in the *Capital gains summary* pages of your Tax Return. They do not attempt to explain everything that could affect your capital gains computations – there is much more in our Help Sheets and Manuals at **www.hmrc.gov.uk**

Words and *phrases* in italics are explained further on in these notes or in the Glossary on pages CGN 14 to CGN 16.

Assets

You may have to pay Capital Gains Tax when you dispose of an asset which is worth more on disposal than when you acquired it. For Capital Gains Tax purposes, an asset is any form of property. The most common assets are:
- stocks, shares and units in unit trusts
- land and property
- business assets, such as goodwill.

Capital Gains Tax is payable in respect of the increase in value. If you make a loss disposing of an asset you may be able to set that loss against gains on other disposals or carry it forward to a later tax year.

You do not have to pay Capital Gains Tax if your taxable gains after deducting allowable losses for the year are, where due, less than your annual exempt amount. For 2008–09 the annual exempt amount is £9,600. See the notes on completing box 7 on page CGN 10 for circumstances when the annual exempt amount is not due.

Disposals

A chargeable gain or allowable loss is made when an asset is disposed of. If the disposal proceeds exceed the allowable cost of the asset you may have a chargeable gain. If they are less than the cost, you may have an allowable loss. In some situations, the allowable cost may be reduced because of a claim to a Capital Gains Tax relief in an earlier year. The gain or loss is then calculated using the reduced amount. Gains or losses may also be restricted if you owned the asset on 31 March 1982 (see page CGN 6).

There are many ways you can make a disposal, including when an asset, or part of an asset, is:

- sold
- given away
- exchanged
- lost or destroyed.

Sales are the most common kind of disposal and in the rest of these notes we may refer to assets sold, rather than 'disposed of' (but please bear in mind that a gain, or loss, may arise on other kinds of disposal, not just sales). There are also less common circumstances when you are treated as if you had made a disposal; for example, if your asset was reduced in value in order to increase the value of an asset owned by someone else, or if you received money because of your ownership of an asset and you will not be charged Income Tax on that money. If you are not sure, please contact us.

If you are resident and domiciled in the UK you are liable to pay Capital Gains Tax on all your chargeable capital gains, including gains on assets situated outside the UK, after taking off allowable losses. (Your domicile is usually determined by where you were born, or your father's place of birth – but it can be otherwise; if you are not sure please contact us.)

If you are resident but not domiciled in the UK you are still liable to pay Capital Gains Tax on your chargeable gains on assets situated in the UK. But if the 'remittance basis' applies to you, you will pay Capital Gains Tax on gains on non-UK assets only when those gains are remitted to the UK. Depending on your circumstances, the remittance basis may apply automatically or you may have to claim it, (see the *Residence, remittance basis etc. notes* for more information).

In certain circumstances you may have to pay Capital Gains Tax on gains made by a company or a trust in which you have an interest. These include gains made by:

- certain types of company not resident in the UK and in which you are a participator, or
- a trust not resident in the UK the gains of which are attributed to you because you are a settlor (Help Sheet 299 *Non-resident trusts and Capital Gains Tax* has more details), or

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- a trust not resident in the UK the gains of which are attributed to you because you have received capital payments or benefits (Help Sheet 299 has more details).

Include all such gains in box 31 unless they arise from gains of a non-UK resident trust attributed to you as beneficiary. These gains should be entered in box 32. You may deduct personal losses from gains included in box 31, but not from box 32.

Exemptions

Some assets are exempt from Capital Gains Tax, including:
- private cars
- personal effects and goods worth up to £6,000 each when you dispose of them (see Help Sheet 293 *Chattels and Capital Gains Tax*)
- Premium Bonds, savings certificates, British Savings Bonds
- stocks or shares within a personal equity plan (PEP) or individual savings account (ISA)
- UK government stocks – known as gilts or gilt-edged securities
- personal injury compensation
- foreign currency for your own or your family's personal use outside the UK
- betting, lottery or pools winnings
- SAYE terminal bonuses
- compensation for mis-sold personal pensions taken out as a result of disadvantageous advice given between 29 April 1988 and 30 June 1994
- life insurance policies and deferred life annuity contracts, unless at any time acquired for actual consideration
- Enterprise Investment Scheme shares where Income Tax relief has been given (and not withdrawn) on them (see Help Sheet 297 *Enterprise Investment Scheme and Capital Gains Tax*)
- Venture Capital Trust shares acquired within the annual limits and under certain conditions (see Help Sheet 298 *Venture capital trusts and Capital Gains Tax*)
- Qualifying corporate bonds (see Help Sheet 285 *Share reorganisations, company take-overs and Capital Gains Tax*).

If you lose money on the sale of exempt assets, those losses cannot reduce your chargeable gains. (However, special rules apply to Enterprise Investment Scheme shares and items of personal effects or goods which cost more than £6,000; see the Help Sheets for further information if you need it.)

Transfers of assets between husbands and wives and civil partners

If you sell or give an asset to your husband or wife or civil partner, and you are living together at some time in the tax year, there is no Capital Gains Tax to pay. We consider you are living together unless you are legally separated and that separation is likely to become permanent. We treat your sale proceeds as being of such an amount that you make neither a gain nor a loss. However, your husband or wife or civil partner will pay tax on any gain over the total period of ownership (yours and theirs) when they eventually sell the asset.

Your main home

Usually a tax relief called 'private residence relief' will cover any gain you make on the sale of your main home (and if you make a loss, you will not be able to deduct that loss from other gains). Help Sheet 283 *Private residence relief* gives you more details. You may have to pay tax if:

- the gardens or grounds, including the house, are more than half a hectare (a little less than one and a quarter acres)
- part of the house has been used for purposes other than your home, for example, in your business
- the house has not been used as your home throughout your ownership (but you can ignore the last three years of ownership) see *Letting relief* on page CGN 17
- you have had a second home and the one sold has not been your main home throughout your ownership of it
- you acquired your home by way of gift on which *gifts hold over relief* was obtained.

If you are married or in a civil partnership and living with your spouse or civil partner only one property, which either or both of you own, can qualify for the relief at any one time.

Prepare your capital gains computations before you start filling in the *Capital gains summary* pages

First, gather together any paperwork you may need, such as:

- contracts for purchase or sale of assets
- invoices for work you have had done to improve the asset
- copies of any valuations you have obtained
- brokers notes.

Then, prepare your computation of gain or loss. You will have to do this separately for each asset sold. We require your computations and the completed *Capital gains summary* pages with your Tax Return. There is a computation Working Sheet on page CGN 18 that you may be able to use. The next few paragraphs will help you with your computations.

Some gains that were made before 2008–09 may be taxable in 2008–09. You must include these gains in box 31: see page CGN 17 for more information.

How to make a Capital Gains Tax claim, an election or give any notice in your Tax Return

If you want to make any claim, election or give any notice for Capital Gains Tax purposes in your Tax Return you must put an 'X' (as appropriate) in boxes 20, 26 or 33 on pages CG 1 or CG 2 of the *Capital gains summary* pages. You must also provide details of each claim, election or notice in the 'Any other information' box, box 35 or in your computations providing a clear statement that a claim or an election is being made or a notice is being given in respect of a particular gain or loss. The Capital Gains Tax Help Sheets provide further detail about how particular claims or elections should be made in a Tax Return.

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Estimates and valuations

There are occasions when you may have to estimate figures – please make it clear in your computations which figures are estimated, and why.

Valuations are more common, particularly if you sell assets that were acquired from, or sell assets to, people to whom you are *connected*, or sell only part of an asset.

Again, please make clear any use of valuations in your computations, and attach a copy. Please say who carried out the valuation and whether they were independent and suitably qualified. And if you have already asked us to check your valuation by sending us a form CG 34, please make this clear in your computations. Where valuations have been made of land and buildings, give a description of the property, whether it is freehold/leasehold, and any tenancies affecting your ownership at the valuation date(s). Attach a copy of the plan if this helps identification.

We may decide to check your valuations. We use specialist valuers to value a range of assets including unlisted shares, land, works of art and goodwill. If we make enquiries about your valuations you will be able to discuss your values with our valuers. If we cannot reach agreement you can appeal to an independent tribunal.

We do not always make enquiries. If we do not, you should not assume we agree with your valuations.

Connected persons

Connected persons are:
- your husband or wife or civil partner (but if you are living together at any time in the tax year in which you dispose of the asset to your spouse or civil partner, any gains are deferred until your spouse or civil partner sells the asset) see Help Sheet 281 *Husband and wife, civil partners, divorce, dissolution and separation*
- your brothers and sisters, and your spouse's or civil partner's brothers and sisters
- your, and your spouse's or civil partner's, parents, grandparents and other ancestors
- your, and your spouse's or civil partner's, children and other direct descendants
- the spouses or civil partners of any of the relatives mentioned above
- your business partners and their spouses or civil partners and relatives (except for genuine commercial acquisitions or disposals of partnership assets)
- any company you control, on your own or with any of the other people mentioned above
- the trustees of any settlement where you are, or any person connected with you is, a settlor.

If you dispose of an asset to, or acquire an asset from, a connected person the price paid should be replaced by the *market value* in working out your gain or loss. If you make a loss you can only set that loss against gains made on other disposals to the same connected person. These are known as *clogged losses*. Although they will be included in your total loss figure please keep a separate record of each clogged loss carried forward to later years to make sure you take it off correctly from future gains.

Assets owned at 31 March 1982

If you dispose of an asset that you owned at 31 March 1982, gains or losses are restricted to the amount of gain or loss since that date. Gains or losses on assets you owned at that date are calculated by reference to their value then, rather than their historical cost.

Disposal of shares or securities

There are rules which apply when you dispose of shares or securities that match a disposal with an acquisition. These notes do not cover those rules in detail. Help Sheet 284 *Shares and Capital Gains Tax* provides more information but generally you are treated as disposing of shares in the following order:

- first, shares acquired on the same day as the disposal (the 'same day' rule)
- second, shares acquired in the 30 days following the day of disposal (the 'bed and breakfasting' rule) provided you were resident in the United Kingdom at the time of the acquisition if the relevant acquisition was on or after 22 March 2007
- third, all shares of the same class in the same company (the 'Section 104 Holding' rule)
- finally, if the above rules fail to exhaust the shares disposed of, the remaining shares are matched with later acquisitions, taking the earliest one first.

Allowable losses

If the total costs of an asset exceed the disposal proceeds you have made a loss. For losses to be allowable they usually have to be claimed (see below). Total allowable losses of 2008–09 may usually be deducted from the total chargeable gains for the same year. There are restrictions on some losses, known as clogged losses (see page CGN 16), that can only be set against gains of certain types. And any loss arising as a result of an avoidance scheme may not be an allowable loss.

There are special rules for determining allowable losses when the remittance basis applies. If you do not make an election in the first year for which you claim the remittance basis then any losses on assets situated outside the UK in that year or subsequent years will not be allowable losses. If you do make an election then 'foreign losses' are allowable against chargeable gains of the same year (subject to certain ordering rules) but are not allowable against gains of an earlier year which are taxed on the remittance basis in the year of loss or in a later year, see **www.hmrc.gov.uk** for more details.

Where losses on the sale of any assets are taken into account in calculating the overall gain on which you have claimed entrepreneurs' relief (see page CGN 7), that loss will not then otherwise be an allowable loss available to set against other gains. See Help Sheet 275 *Entrepreneurs' relief* and the guidance on page CGN 10 on completing box 4.

If the losses exceed the gains, you have losses to carry forward to set against future gains. You can in certain limited circumstances claim to set a loss against income of the same year or the previous year (Help Sheet 286 *Negligible value claims and Income Tax losses on disposals of shares you have subscribed for in qualifying trading companies* and Help Sheet 297 *Enterprise Investment Scheme and Capital Gains Tax* have more information).

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When you set losses brought forward against gains of a later year (after setting off losses of the same year, first) you only use enough losses brought forward to reduce the gains to the annual exempt amount. You must use up brought forward losses from 1996–97 and later years before setting off losses from 1995–96 and earlier years.

In some rare circumstances you can carry back losses to set against gains of earlier years. If you would like to know more about carrying back losses, or if you have trading losses that are more than your taxable income (see Help Sheet 227 *Losses*) and you wish to set some or all of those losses against your capital gains, please contact us.

Losses made since 1996–97 must be claimed within five years and ten months of the end of the tax year in which they were made. You can do this by filling in the *Capital gains summary* pages of your Tax Return and making clear in the accompanying computation that you are making a claim(s) and what the claim is for. The latest date for claiming 2008–09 losses is 31 January 2015. Losses made in 1995–96 and earlier years did not have to be claimed – they are brought forward each year until used up (but only after the losses of 1996–97 and later years have been used).

You may not deduct personal losses from gains of a trust not resident in the UK, which are attributed to you because you are a beneficiary and have received capital payments or benefits. Include such gains in box 32 and enter any additional amount of tax in box 9. Help Sheet 301 *Beneficiaries receiving capital payments from non-resident trusts and the calculation of the increase in tax charge* will help you complete these boxes.

You may deduct personal losses from gains of a trust not resident in the UK which are charged on you as settlor.

Entrepreneurs' relief

These notes briefly explain how entrepreneurs' relief is worked out but there is more detail in Help Sheet 275 *Entrepreneurs' relief*.

Entrepreneurs' relief reduces the amount of the capital gain to be taxed on the sale of certain business assets as long as you have met the qualifying conditions throughout the one year qualifying period either up to the date of sale or the date the business ceased. The relief is subject to a lifetime limit of £1,000,000 of qualifying capital gains for each individual.

The sale of the following types of assets may qualify for entrepreneurs' relief:
- the sale of assets comprised in the sale of the whole or part of your business, whether you have carried it on, on your own or in partnership. Entrepreneurs' relief is not available on the sale of business assets of a continuing business unless those sales arise out of the sale of a distinct part of the business
- the sale of assets which had been in use for your business within the three years after the business ceased
- shares in, or securities of your 'personal company' (see below). The shares must be disposed of while the company is a trading company (or the holding company of a trading group) or within three years from the date it ceased to be a trading company or a member of a trading group

- assets owned personally by you but used in your business where the business is carried on by a partnership of which you are a partner, or by your personal trading company in which you are an officer or employee. Entrepreneurs' relief may be available on the sale of such assets made as part of your withdrawal from that business. A withdrawal from the business happens when you sell off some or all of your interest in the partnership or of your shares in the company.

(In the above bullets, ‘business’ means a trade or profession but does not include an investment business unless it is furnished holiday lettings in the UK. See the *UK property notes* for an explanation of what is meant by furnished holiday lettings.)

Your ‘personal company’ is a company in which you hold at least 5% of the shares and you can exercise at least 5% of the voting rights.

More details and examples are given in Help Sheet 275 *Entrepreneurs' relief*.

Claims to entrepreneurs' relief

Entrepreneurs' relief is not given automatically. You must make a claim, which you can do by following the guidance above on how to make a claim. You may also complete the separate claim form attached to the Help Sheet 275 *Entrepreneurs' relief* and include it as an attachment with your return. You must make a claim by 31 January, that is 1 year and 10 months from the end of the tax year in which the sale qualifying for the relief is made. So for the tax year 2008–09 (ending on 5 April 2009) a claim for entrepreneurs' relief must be made by 31 January 2011.

Amount of relief

If you are entitled to entrepreneurs' relief the first £1,000,000 of qualifying gains from all sales in this or subsequent years will be eligible for the relief. This is a lifetime limit. The amount of gains qualifying for relief (up to £1,000,000) in 2008–09 should be entered in box 15. Qualifying gains are reduced by $^{4}/_{9}$ and the net amount should be included in your total gains (box 3) for 2008–09. See the notes on completing box 4 where losses are taken into account in working out the amount of gains qualifying for relief.

If the qualifying gains exceed £1,000,000 the excess, without reduction, should be included in your total gains (box 3) for 2008–09. Help Sheet 275 *Entrepreneurs' relief* gives more details and examples of how to calculate the amount of relief on qualifying gains.

Beneficiaries of trusts

If you are a beneficiary of a trust, and the trustees of the settlement sell an asset then they may be able to claim entrepreneurs' relief, if you and the trustees make a joint claim. In this case relief given to the trustees reduces your lifetime entitlement of £1,000,000 of qualifying gains. More details are given in Help Sheet 275 *Entrepreneurs' relief*.

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Your computations

It is up to you how you prepare your computations but it may be easier if you follow the approach we set out here. You may be able to use the Working Sheet on page CGN 18; use as many copies as you need. The Working Sheet is for simple calculations of gains or losses and can be used for a disposal of land or other assets. You can also use it for a disposal of shares but only if it is a disposal of the whole of your holding of a particular class of shares.

You will not be able to use the Working Sheet if:
- the asset has been acquired by the exercise of an option, or
- if the disposal is a part disposal, or
- where you have to aggregate gains and losses on the sale of any assets to calculate the overall gain on which you wish to claim entrepreneurs' relief.

1. Start with a full description of the asset (for example, number and type of shares sold or address of the property or land) and the *date of sale*. If the disposal was between connected persons, say so.
2. Next, enter the *sale proceeds* or *market value*, as appropriate, taking off the incidental costs of selling the asset to give you your net disposal proceeds.
3. Now enter the date of acquisition and work out what the asset has cost you over your period of ownership; that is, the acquisition cost (reduced by any earlier claim to tax relief, if applicable) plus any *incidental costs of acquisition* and *improvement costs*.
4. Take the total costs away from your net disposal proceeds to work out the gain or loss.
5. Enter any capital gains relief (see pages CGN 17 and CGN 18) you are claiming or elections being made, and show the capital gain after the relief or election.
6. You may need to include losses, brought forward from earlier years, that you are deducting from gains in the year.
7. Deduct losses from gains to reach the taxable gains. Use losses of the year before losses brought forward from earlier years. You only need to use enough losses brought forward to reduce the total of all your gains to the annual exempt amount for the year.

Filling in the *Capital gains summary* pages

We would now like you to enter details from your computations onto the *Capital gains summary* pages, first by filling in the three separate sections for:
- *listed shares and securities* (boxes 16 to 21)
- *unlisted shares and securities* (boxes 22 to 27)
- property and other assets and gains (boxes 28 to 34)

and, secondly, the summary section at the beginning of the form (boxes 3 to 15).

Your computation by itself is insufficient (so please do not cross through the pages or mark them 'see attached').

Summary of your enclosed computations

Box 3 *Total gains in the year, before losses*

Enter the total amount of all your gains before any losses are deducted but after any reliefs, elections or claims are taken into account (apart from the annual exempt amount). This amount would include the gains from boxes 19, 25, 31 and 32.

Where you have disposed of a number of individual assets, and the gains and losses on those assets are taken together for an entrepreneurs' relief claim, you should include the net amount of the gain after the entrepreneurs' relief is applied. See the guidance on box 4 below where losses are taken into account.

Box 4 *Total losses of the year*

Enter the total amount of all your losses of the year taken from your computations, including losses entered in box 14, any *clogged losses* and (if remittance basis applies) allowable losses arising on disposals of assets situated outside the UK. If you do have any *clogged losses*, please keep a separate record of each clogged loss carried forward to later years to ensure that it is deducted correctly from future gains. You should also identify in your computations any losses which are clogged and say why they are clogged. If you have disposed of a number of individual assets which are taken together for an entrepreneurs' relief claim, and any of these assets were sold at a loss, those losses should not be included in this box. They will have been taken into account in arriving at the chargeable gain on which the claim is made and the net chargeable gain included in the box 3 total (see the note for box 3 above).

Box 5 *Losses brought forward and used in the year*

Enter the amount of losses brought forward from earlier years which are used in the year. You also only use losses brought forward to reduce gains to the annual exempt amount for the year. *Clogged losses* brought forward can only be set against gains of certain types.

Box 6 *Total gains, after losses but before the annual exempt amount*

Usually, the figure to be entered here will be the amount in box 3 minus the amount in boxes 4 and 5. There are restrictions on the use of *clogged losses* (see page CGN 16).

Personal losses cannot be set-off against any gains of trustees which are attributed to you as a beneficiary of a non-UK resident trust.

Box 7 *Annual exempt amount*

Usually you will be entitled to an *annual exempt amount* of £9,600 and, if this is due, this figure should be entered in box 7.

You are not entitled to the annual exempt amount for 2008–09 if you are not domiciled in the UK and are claiming to be taxed on the remittance basis for 2008–09. See the *Residence, remittance basis etc. notes* for more information. If this applies to you please leave box 7 blank.

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Box 8 *Net chargeable gains*

The amount in this box should be the amount in box 6 minus the amount in box 7. If your *annual exempt amount* is more than the figure in box 6 please leave this box blank. The figure in this box will be the amount on which you are charged Capital Gains Tax. (Your Capital Gains Tax charge will be increased by any amount in box 9.)

Box 9 *Additional liability in respect of non-resident or dual resident trusts*

This box will not apply to many people. The amount to enter in this box is an additional amount of tax. You may have to pay this if gains are taxable on you as a beneficiary of a non-UK resident trust and there is a gap between the gain arising and you receiving a payment or benefit from the trust. If you think this may apply, ask for Help Sheet 301 *Beneficiaries receiving capital payments from non-resident trusts and the calculation of the increase in tax charge* to work out the amount of tax to go into this box.

Box 10 *Losses available to be carried forward to later years*

Enter here the total of all unused losses you have available, of the year and from earlier years, to be carried forward to later years. Include any unused *clogged losses*. To ensure they are used correctly in future years keep a separate record of each of your unused *clogged losses*. You should also keep separate records of both unused losses claimed for 1996–97 and later years and for 1995–96 and earlier years.

Box 11 *Losses used against an earlier year's gain*

This box only applies in very limited circumstances. The most common case is explained in Help Sheet 282 *Death, personal representatives and legatees*. There is more information in our capital gains manual at **www.hmrc.gov.uk** about the circumstances when losses can be carried back to earlier years.

Boxes 12 and 13

These boxes will not apply to most people as you cannot usually set-off capital losses against income. Help Sheet 286 *Negligible value claims and Income Tax losses on disposals of shares you have subscribed for in qualifying trading companies* and Help Sheet 297 *Enterprise Investment Scheme and Capital Gains Tax* have more information about the circumstances when you can.

Box 14 *Income losses of 2008–09 set against gains*

This box will not apply to most people. Enter here the amount of any allowable trading losses, losses from furnished holiday lettings, post-cessation expenditure or post-employment deductions that you wish to set against chargeable gains and included in box 4.

You should only enter the lower of:

- the total losses you can claim, and
- the amount required to reduce the figure of gain, after capital losses of the year have been set-off, to zero.

Help Sheet 227 *Losses* provides more information.

Box 15 ***Entrepreneurs' relief***

Enter the amount of qualifying gains on which entrepreneurs' relief is claimed and before the $4/9$ reduction – see the notes on page CGN 8.

Listed shares and securities

Box 16 ***Number of disposals***

Enter here the number of disposals of listed shares and securities in the year to 5 April 2009. For the purposes of this box count all disposals of the same class of share or security in the same company made on the same day as a single disposal. Ignore disposals you do not make in your own capacity, for example, disposals you make as a trustee.

Box 17 ***Disposal proceeds***

Enter the total disposal proceeds for all *listed shares and securities* before any reliefs, claims or elections are made. In some circumstances the amount you receive should be replaced in your calculation by the *market value* of the asset you disposed of.

Box 18 ***Allowable costs (including purchase price)***

Enter the total allowable costs which will usually include the purchase price, any *incidental costs of purchase and sale* and any *improvement costs*.

Box 19 ***Gains in the year, before losses***

Enter here the total figure of all gains on *listed shares and securities*. This figure should be the gains after any relief, claims or elections have been taken into account but before any losses are deducted (except where losses have been taken into account in arriving at the chargeable gain on which you are making a claim to entrepreneurs' relief, see box 3 and box 4).

Box 20 ***If you are making any claim or election, put 'X' in the box***

Put 'X' in this box if any disposal in this section is affected by a Capital Gains Tax claim or election made in this Tax Return.

Box 21 ***If your computations include any estimates or valuations, put 'X' in the box***

If you put 'X' in this box provide further details in your computation – see page CGN 4.

Unlisted shares and securities

Box 22 ***Number of disposals***

Enter here the number of disposals of *unlisted shares and securities* in the year to 5 April 2009. For the purposes of this box count all disposals of the same class of share or security in the same company made on the same day as a single disposal. Ignore disposals you do not make in your own capacity, for example, disposals you make as a trustee.

Box 23 ***Disposal proceeds***

Enter the total disposal proceeds for all *unlisted shares* and securities before any reliefs, elections or claims are made. In some circumstances the amount you receive should be replaced in your calculation by the *market value* of the asset you disposed of.

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Box 24 *Allowable costs (including purchase price)*

Enter the total allowable costs which will usually include the purchase price, any *incidental costs of purchase and sale* and any *improvement costs*.

Box 25 *Gains in the year, before losses*

Enter here the total figure of all gains on *unlisted shares and securities*. This figure should be the gains after any reliefs, claims or elections have been taken into account but before any losses are deducted (except where losses have been taken into account in arriving at the chargeable gain on which you are making a claim to entrepreneurs' relief – see box 3 and box 4).

Box 26 *If you are making any claim or election, put 'X' in the box*

Put 'X' in this box if any disposal in this section is affected by a Capital Gains Tax claim or election made in this Tax Return.

Box 27 *If your computations include any estimates or valuations, put 'X' in the box*

If you put 'X' in this box provide further details in your computation – see page CGN 4.

Property and other assets and gains

Box 28 *Number of disposals*

Enter here the number of disposals of property and other assets made in the year to 5 April 2009. Attributed gains are not disposals and should not be included in the total number of disposals entered here. If you have disposed of a number of individual assets which are taken into account together to work out the chargeable gain on which you have claimed entrepreneurs' relief then count each disposal of an asset that is taken into account.

Box 29 *Disposal proceeds*

Enter the total disposal proceeds for all property and other assets and gains before any reliefs or claims are made. In some circumstances the amount you receive should be replaced in your calculation by the *market value* of the asset you disposed of.

Box 30 *Allowable costs (including purchase price)*

Enter the total allowable costs which will usually include the purchase price, any *incidental costs of purchase and sale* and any *improvement costs*.

Box 31 *Gains in the year, before losses*

Enter here the total figure of all gains on disposals of property and other assets. This figure should be the gains after any relief, claims or elections have been taken into account but before any losses are deducted (except where losses have been taken into account in arriving at the chargeable gain on which you are making a claim to entrepreneurs' relief – see box 3 and box 4). Also include:
- gains attributed where personal losses can be set off (see page CGN 6 *Allowable losses*)
- gains of earlier years becoming taxable this year (see page CGN 17 for more information), and
- gains on the recovery of certain loans and guarantee payments (see Help Sheet 296 *Debts and Capital Gains Tax*).

Please note that gains in the list above do not result from a disposal of an asset in the year and no consideration should be included for such gains in box 29.

Box 32 ***Attributed gains where personal losses cannot be set-off***

This box only applies in very limited circumstances – see page CGN 3. Enter the amount of any gains of trustees attributed to you as beneficiary of a non-UK resident trust.

Box 33 ***If you are making any claim or election, put 'X' in the box***

Put 'X' in this box if any disposal in this section is affected by a Capital Gains Tax claim or election made in this Tax Return.

Box 34 ***If your computations include any estimates or valuations, put 'X' in the box***

If you put 'X' in this box provide further details in your computation – see page CGN 4.

If there is any information you would like to add to your computations, please tell us in the 'Any other information' box, box 35. Please send us your computations, valuations and specified claim forms with the *Capital gains summary* pages of your Tax Return.

Glossary

Annual exempt amount

You do not pay Capital Gains Tax on the first £9,600 of your chargeable gains (after deducting losses) for the tax year 2008–09 (known as the 'annual exempt amount') unless the circumstances described in the notes to box 7 apply to you, in which case no annual exempt amount is due.

Date of sale

If the sale, or disposal, was under contract, the date of sale is usually the date of the contract. For example, you sell a house by exchanging contracts on 25 March 2008 and complete on 9 April 2008; the disposal takes place in the tax year 2007–08, not 2008–09. If, unusually, the contract is conditional, so that one or more conditions have to be met before the contract becomes binding, the date of sale is the date on which the last of the conditions is met.

Where there is no contract, the date of sale will be when ownership is transferred. Or, if you receive a capital sum from an asset but do not dispose of it, the date you received the money will be treated as the date of disposal.

Market value

The *market value* is the price an asset might reasonably make on the open market on the date of its disposal or acquisition. Use the *market value* in place of the price you received if you gave an asset away, deliberately sold it for less than its full value, or disposed of it to a connected person. *Market value* will also apply where you have acquired the asset in similar circumstances to the disposals above, if you have inherited the asset or have become absolutely entitled to settled property.

Contacts

Please phone:
- the number printed on page TR 1 of your Return
- the Helpline on **0845 9000 444**
- the Orderline on **0845 9000 404** for Help Sheets

or go to **www.hmrc.gov.uk**

For shares and securities listed on the Stock Exchange Daily Official List the market value in all normal circumstances is the lower of:
- the figure one quarter up from the lower of the two prices in the quotations for the relevant day, and
- the figure halfway between the highest and lowest prices of recorded bargains for that day.

Sale proceeds

Sale or disposal proceeds may include:
- cash, payable now or in the future, or anything that can be turned into cash, unless it is taxable as income
- the value of an asset received in exchange for the asset you disposed of
- the value of a right to receive future payments where the amount of these payments cannot be known at the date of disposal.

If you know what you will receive after the date of disposal include the total now in your computation. (If it becomes clear later that you will not receive some of the proceeds the calculation can be adjusted.) If the disposal proceeds included in your computation are going to be paid in instalments over a period of more than 18 months you may not have to pay all the tax now – please contact us.

Incidental costs of disposal/sale and incidental costs of acquisition

You can deduct certain disposal costs and amounts that add to the cost of purchasing an asset as long as they really were for the disposal or acquisition of the asset. These costs are:
- fees, commission or payment for professional advice
- the cost of transfer or conveyance
- Stamp Duty
- advertising costs
- valuation costs to work out the gain on disposal.

If the asset had an expected life of 50 years or fewer, allowable costs and expenses may be limited to reflect the remaining life of the asset.

Acquisition cost

The amount paid out or, in certain cases, the *market value*, to acquire the asset. If you created the asset yourself, (such as goodwill in a business), the costs of creating the asset, if any.

Improvement costs

The cost of improving an asset so long as that improvement is still reflected in the asset at the time of sale.

Listed shares and securities

For the purpose of completing these pages only ‘listed shares and securities’ means any of the following:
- shares or securities of a company listed on a recognised stock exchange throughout the period you owned them – ignoring any period when the listing or quotation was temporarily suspended – go to **www.hmrc.gov.uk** for more details
- shares in a company that was a UK open-ended investment company (OEIC) throughout your period of ownership
- units in a unit trust that was an authorised unit trust, throughout your period of ownership.

Unlisted shares

For the purposes of these pages only, any shares or securities not within the 'listed shares and securities' definition above.

Clogged losses

The most common type of clogged loss is a loss on disposal to a connected person. These losses can only be set against gains on disposals to the same connected person (see page CGN 5). The other clogged loss is a loss transferred to you after 15 June 1999 by trustees when you become absolutely entitled to settled property. These losses can only be set, and in priority to any other losses, against gains arising on the same asset, or an asset derived from that asset.

Capital gains reliefs (and elections)

Some reliefs have to be claimed and you must make your claim by clearly stating it in your attached computation. Some claims have to be made on a separate claim form which you complete and attach to your Tax Return along with your computation. Others, such as private residence relief, are due without needing to make a claim. In some cases, you may wish to make an election, such as for remittance basis (foreign losses). You must make your election by clearly stating it in your attached computation.

We only explain a few here, and briefly – most, particularly those involving business assets, are covered fully in our Help Sheets.

Remittance basis entitlement – if you were not domiciled in the UK, gains arising before 6 April 2008 on assets situated outside the UK were only charged to Capital Gains Tax when they were received in the UK: this treatment was automatic. After 5 April 2008 this 'remittance basis' treatment is no longer necessarily automatic: it may be necessary to make a claim if you wish the remittance basis to apply to you in a particular year. The *Residence, remittance basis etc notes* explain this fully.

Remittance basis (foreign losses) – if you are claiming to be taxed on the remittance basis, losses on assets situated outside the UK are not normally allowable losses. However, in the first tax year in which you make such a claim you can also make an irrevocable election for these 'foreign losses' to be allowable against chargeable gains, subject to certain rules. The *Residence, remittance basis etc notes* explain this fully.

Roll-over relief – allows gains on the disposals of business assets to be deferred if replacement assets are acquired. Help Sheet 290 *Business asset roll-over relief* explains this fully and includes a claim form.

Gifts hold over relief – allows gains to be deferred when certain assets are given away for less than their market value. Help Sheet 295 *Relief for gifts and similar transactions* explains this fully and includes the relevant claim form that you must use.

Dependent relative relief – allows relief on the disposal of a home you provided for a dependent relative before 6 April 1988. If you are claiming this relief, please state this clearly in your computation. Help Sheet 283 *Private residence relief* gives more detail.

Entrepreneurs' relief – see page CGN 7 and Help Sheet 275 *Entrepreneurs' relief* for details.

Enterprise Investment Scheme and Venture Capital Trust disposal – see Help Sheet 297 *Enterprise Investment Scheme and Capital Gains Tax* and Help Sheet 298 *Venture capital trusts and Capital Gains Tax*, which tell you what reliefs may be claimed.

Unremittable gains and gains becoming remittable – both refer to disposals abroad, and either you are claiming not to be taxed because it is impossible to bring the gain into the UK, or you previously claimed this and are now able to bring the gain into the UK. If either affect you, please contact us.

Negligible value claims – see Help Sheet 286 *Negligible value claims and Income Tax losses on disposals of shares you have subscribed for in qualifying trading companies*, which tells you how to make a claim that an asset you own at the time of your claim has become of negligible value so that you are treated as making a disposal of the asset. If you are making a claim please state this clearly in your computation of the gain or loss on the disposal of the asset to which the claim relates.

Relief for foreign tax paid – if you have paid tax overseas on a foreign gain and wish to claim credit against UK tax, see Help Sheet 261 *Foreign tax credit relief: capital gains*.

Letting relief – if you only get partial private residence relief because you have let some or all of your home as residential accommodation, you may be entitled to further relief – see Help Sheet 283 *Private residence relief*.

Business incorporation relief – defers a gain made when a business is transferred to a company see Help Sheet 276 *Incorporation relief*.

Relief on certain disposals of shares to the trustees of an approved share incentive plan – if you think you might be entitled to this relief see Help Sheet 287 *Employee share and security schemes and Capital Gains Tax*.

Gains of earlier years

Some gains that were made before 2008–09 may be taxable in 2008–09. You must include these gains in box 31. For example, where:

- roll-over relief was claimed on the purchase of a wasting asset, see Help Sheet 290 *Business asset roll-over relief*, or
- gifts hold-over relief has been claimed on a transfer of an asset to you and you have become non-resident, see Help Sheet 295 *Relief for gifts and similar transactions*, or
- a gain has been deferred as a result of a share reorganisation in which you have been issued with qualifying corporate bonds, see Help Sheet 285 *Share reorganisations, company take-overs and Capital Gains Tax*, or
- you have claimed a deferral of a gain on a subscription for Enterprise Investment Scheme or Venture Capital Trust shares, see Help Sheet 297 *Enterprise Investment Scheme and Capital Gains Tax* or Help Sheet 298 *Venture capital trusts and Capital Gains Tax*, or
- a gain accrued in 2004–05, 2005–06, 2006–07 or 2007–08 when you were regarded as a 'temporary non-resident', see Help Sheet 278 *Temporary non-residents and Capital Gains Tax*.

Computation Working Sheet – complete one sheet for each asset sold

Description of asset *for example, type and number of shares sold or address of property*

Date of sale *DD MM YYYY*

Disposal/sale proceeds or market value *if appropriate*	1 £	
Incidental costs of disposal/sale	2 £	
Net disposal proceeds *box 1 minus box 2*		3 £

Date of acquisition *DD MM YYYY*

Cost or 31 March 1982 value *see page CGN 6*	4 £	
Incidental costs of acquisition	5 £	
Improvement costs	6 £	
Total costs *boxes 4 + 5 + 6*		7 £
Gain or loss *box 3 minus box 7*		8 £
Capital gains elections or reliefs *not the annual exempt amount* and description		9 £

Net gain *box 8 minus box 9*		10 £

Capital gains Help Sheets

Help Sheet 261	*Foreign tax credit relief: capital gains*
Help Sheet 275	*Entrepreneurs' relief*
Help Sheet 276	*Incorporation relief*
Help Sheet 278	*Temporary non-residents and Capital Gains Tax*
Help Sheet 281	*Husband and wife, civil partners, divorce, dissolution and separation*
Help Sheet 282	*Death, personal representatives and legatees*
Help Sheet 283	*Private residence relief*
Help Sheet 284	*Shares and Capital Gains Tax*
Help Sheet 285	*Share reorganisations, company take-overs and Capital Gains Tax*
Help Sheet 286	*Negligible value claims and Income Tax losses on disposals of shares you have subscribed for in qualifying trading companies*
Help Sheet 287	*Employee share and security schemes and Capital Gains Tax*
Help Sheet 288	*Partnerships and Capital Gains Tax*
Help Sheet 290	*Business asset roll-over relief*
Help Sheet 292	*Land and leases, the valuation of land and Capital Gains Tax*
Help Sheet 293	*Chattels and Capital Gains Tax*
Help Sheet 294	*Trusts and Capital Gains Tax*
Help Sheet 295	*Relief for gifts and similar transactions*
Help Sheet 296	*Debts and Capital Gains Tax*
Help Sheet 297	*Enterprise Investment Scheme and Capital Gains Tax*
Help Sheet 298	*Venture capital trusts and Capital Gains Tax*
Help Sheet 299	*Non-resident trusts and Capital Gains Tax*
Help Sheet 301	*Beneficiaries receiving capital payments from non-resident trusts and the calculation of the increase in tax charge*