

Taxes Consolidation Act, 1997

Disposals and acquisitions **547.**—(1) Subject to the Capital Gains Tax Acts, a person's acquisition of an asset shall for the purposes of those Acts be deemed to be for a consideration equal to the market value of treated as made at the asset where—
market value.

[CGTA75 s9; FA82
s62; FA92 s62]

- (a) the person acquires the asset otherwise than by means of a bargain made at arm's length (including in particular where the person acquires it by means of a gift),
- (b) the person acquires the asset by means of a distribution from a company in respect of shares in the company, or
- (c) the person acquires the asset wholly or partly—
 - (i) for a consideration that cannot be valued,
 - (ii) in connection with the person's own or another person's loss of office or employment or diminution of emoluments, or
 - (iii) otherwise in consideration for or in recognition of the person's or another person's services or past services in any office or employment or of any other service rendered or to be rendered by the person or another person.

(2) (a) In this subsection, “shares” includes stock, debentures and any interests to which section 587 (3) applies and any option in relation to such shares, and references in this subsection to an allotment of shares shall be construed accordingly.

(b) Notwithstanding *subsection (1)* and section 584 (3), where a company, otherwise than by means of a bargain made at arm's length, allots shares in the company (in this subsection referred to as “the new shares”) to a person connected with the

company, the consideration which the person gives or becomes liable to give for the new shares shall for the purposes of the Capital Gains Tax Acts be deemed to be an amount (including a nil amount) equal to the lesser of—

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- (i) the amount or value of the consideration given by the person for the new shares, and

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(ii) the amount by which the market value of the shares in the company which the person held immediately after the allotment of the new shares exceeds the market value of the shares in the company which the person held immediately before the allotment or, if the person held no such shares immediately before the allotment, the market value of the new shares immediately after the allotment.

(3) *Subsection (1)* shall not apply to the acquisition of an asset where—

(a) there is no corresponding disposal of the asset, and

(b) (i) there is no consideration in money or money's worth for the asset, or

(ii) the consideration for the asset is of an amount or value which is lower than the market value of the asset.

(4) (a) Subject to the Capital Gains Tax Acts, a person's disposal of an asset shall for the purposes of those Acts be deemed to be for a consideration equal to the market value of the asset where—

(i) the person disposes of the asset otherwise than by means of a bargain made at arm's length (including in particular where the person disposes of it by means of a gift), or

(ii) the person disposes of the asset wholly or partly for a consideration that cannot be valued.

(b) *Paragraph (a)* shall not apply to a disposal by means of a gift made before the 20th day of December, 1974, and any loss incurred on a disposal by means of a gift made before that date shall not be an allowable loss.