

[19.2.15] Assets derived from other assets (S.559)

- 15.1** In order to determine what is the appropriate expenditure to set against the consideration received on the disposal of any asset, the allowable expenditure on any asset or assets from which that asset is derived should, where necessary, be traced through the various transactions in parts of (or interest or rights in or over) those other assets, notwithstanding changes in the form or nature of the assets or assets derived from them.

As regards the merger of short leaseholds into freeholds or other leases, see [Tax Instruction 19.2.21](#) **Par. 22** and **23**.