

### [19.4.6B] Specific share events (S.580 et seq)

Chapter 4 of Part of the Taxes Consolidation Act 1997 (sections 580 to 591 inclusive) deals with specific aspects of transactions involving shares and securities as they relate to Capital Gains Tax (CGT).

On occasion Revenue has published articles in Tax Briefings in relation to certain share transactions which were of widespread interest at the time. Typically these articles illustrated a salient aspect relating to the shareholding and its disposal.

The following are situations where a Tax Briefing article was published in respect of a specific share transaction, for further information the relevant Tax Briefing can be accessed through the Tax Briefing archive which can be found on the Revenue Website under the heading “Publications”.

**First Active:** The main points dealt with relate to the treatment of capital distribution (in the case of a demutualisation), bonus issue of shares, FIFO (First in First Out rules) as well as how, for the purposes of the annual personal exemption for example, the beneficial owner(s) could be identified. The relevant articles appeared in Tax Briefing issues 53 and 57.

**Jefferson Smurfit:** The acquisition by MDCP Acquisitions Ltd of shares in Jefferson Smurfit Group plc in a takeover involved a number of elements including a “spin off”, loan notes, a share split and a cash offer. The matter was examined in detail in Tax Briefing 53.

**Eircom/Vodafone:** Tax Briefing 46 explored the impact on the base cost of Eircom and Vodafone shares following the disposal by Eircom of the Eircell business to Eircell 2000 and the subsequent share for share transaction between the shareholders of Eircell 2000.

See also [Tax Treatment of Return of Value to Vodafone Shareholders](#) in relation to the Return of Value to Vodafone shareholders & related share consolidation by means of a scheme of arrangement under Part 26 of the UK Companies Act 2006 completed in February 2014.

**Norwich Union:** On the demutualisation of Norwich Union in 1997, members received shares which were either free shares or discounted shares in Norwich Union plc. Tax Briefing 30 described how the base cost of such shares should be ascertained and also how the date of acquisition of the shares could be identified in light of FIFO requirements.

**Scottish Provident:** On the demutualisation of Scottish Provident, members received shares in Scottish Provident and thereafter the choice of a cash payment or loan notes. As explained in Tax Briefing 47 the receipt of cash represented a disposal for CGT purposes, being a disposal of shares, the disposal of the loan notes occurs on redemption. In either case the base cost is nil.

**Fyffes:** The computation of the base cost of shares in two demergers involving Fyffes plc were examined in Tax Briefings 65 and 66 respectively.

The base cost of shares in Fyffes plc and Blackrock International Land plc where Fyffes disposed of part of its undertaking to Blackrock on a share for share basis was explored in Tax Briefing 65 which described how the base cost on future disposals was to be computed.

The base cost of shares in Fyffes plc and Total Produce plc where Fyffes disposed of its General Produce division to Total Produce on a share for share basis was explored in Tax Briefing 66 which described how the base cost on future disposals was to be computed.