

Government Securities (S.607)

Part 19-07-04

This document should be read in conjunction with section 607 of the Taxes Consolidation Act 1997

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Introduction

Section 607 of the Taxes Consolidation Act 1997 (“TCA 1997”) provides for the exemption from Capital Gains Tax (“CGT”) of Government and certain other public securities. In addition, futures contracts which are based on such securities are also exempt provided that the delivery of the security is an unconditional requirement of the contract.

Profits and losses on all futures contracts are calculated by reference to the market value of the underlying gilt.

4.1 Government Securities

Government and State guaranteed stocks are exempt from CGT under **section 607 TCA 1997**.

This exemption is not available in respect of Government stocks disposed of by:

- (a) Collective Investment Undertakings - **section 738(5) TCA 1997**.
- (b) Life Businesses - **section 711 TCA 1997**.
- (c) Special Investment Schemes - **section 737(8) TCA 1997**.