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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Executive summary

This section provides for the exemption from capital gains tax of Government and certain other public securities. In addition, future 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 under Section 607.

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

(i) Collective Investment Undertakings - Section 738(5)

(ii) Life Businesses - Section 711

(iii) Special Investment Schemes - Section 737(8)