



Capital gains tax (CGT) for BP

Further information including details of CGT value





General information

A charge to UK CGT may arise when you dispose of an asset which is worth more than when you acquired it. You are liable to pay tax on the total chargeable gains arising on disposals you make in any one tax year (after various costs and reliefs have been given) in excess of the annual exemption limit, should you be entitled to it. If you are taxed on a remittance basis this may not be applicable and you should seek further advice. If you make a loss this may reduce any CGT you have to pay on sales of other assets.

CGT can be complex so if you are in any doubt as to the prevailing requirements, you should consult HM Revenue and Customs who produce a range of guidance booklets and provide information on their website, or an appropriate financial adviser. Neither BP nor the BP Registrar can advise individuals on CGT.

[HM Revenue and Customs website](#)

Market values

The market values of BP shares for the purposes of CGT, after adjustment for the conversion, capitalisation issue and sub-divisions were:

6 April 1965

Ordinary shares: £0.106771 per US\$ 0.25 ordinary share

First preference shares: £1.128125 per £1 share

Second preference shares: £1.243750 per £1 share

31 March 1982

Ordinary shares: £0.475 per US\$ 0.25 ordinary share

First preference shares: £0.565 per £1 share

Second preference shares: £0.645 per £1 share

Scrip dividend programme values

For CGT purposes, if an election to receive new ordinary shares instead of a cash dividend is made, such shares will be treated as a new asset acquired on the date the shares are issued and the 'cash equivalent' of the new ordinary shares will be treated as being the base cost of the new ordinary shares. The 'cash equivalent' of the new ordinary shares will be the amount of the cash dividend that the shareholder would have received without an election to take new ordinary shares, unless the market value of the new ordinary shares on the first day of dealings on the London Stock Exchange differs substantially from the cash dividend foregone (i.e. differs by 15% or more of such market value) in which case the market value will be treated as the 'cash equivalent' of the new ordinary shares for taxation purposes. Further information on the tax consequences of electing to participate in the scrip dividend programme is available in the scrip dividend programme terms and conditions.



[Scrip dividend Terms and Conditions \(pdf, 156KB\)](#)

Dividend Reinvestment Plan values

For CGT purposes, the acquisition value of shares purchased under the dividend reinvestment plan is equivalent to the cost of the shares purchased including stamp duty reserve tax. Historic values can be found in the BP dividend reinvestment plan.

BP Dividend Reinvestment Plan

Historic share capital

May 1987:

A capitalisation issue was made of two additional ordinary 25p shares for each ordinary share held at the close of business on 15 April 1987.

October 1987:

Rights Issue of 458,625,659 shares made to UK government at £3.30 per share. UK government sold 2,194,000,000 shares (31.5% of the issued share capital) at £3.30 per share. 1,369,000,000 sold under the UK offer to the general public and existing BP shareholders, and, 825,000,000 under the international offer to UK institutional and overseas investors. £1.20 payable upon application, £1.05 by 30 August 1988 and £1.05 by 27 April 1989; shares registered (part paid) 8 January 1988. If individuals buying shares held them until 31 October 1990 they would receive a bonus share for every ten bought, up to a maximum of 150. Until 7 January 1988 the Bank of England offered to purchase any part-paid shares under the UK offer at £0.70 per share.

March 1989:

BP purchased 790,000,000 of its shares from the State of Kuwait at £2.47 per share. The shares were then cancelled.

31 December 1998:

Ordinary 25p shares redenominated into ordinary US\$0.50 shares on a one for one basis. The redenomination is not treated as a disposal of BP ordinary shares for CGT purposes.

1 October 1999 (close of business):

Each ordinary US\$ 0.50 share was sub-divided into two ordinary US\$0.25 shares. As a result, the number of ordinary shares that were registered at the close of business on 1 October 1999 doubled. The immediate effect of the subdivision reduced the price per share to half that before the subdivision. New certificates were issued which replaced any certificates dated before 4 October 1999. Certificates dated before 4 October 1999 should therefore be destroyed, however counterfoils should be retained for tax purposes. The subdivision is not treated as a disposal for UK CGT purposes.