

SCHEDULES

SCHEDULE 29 **U.K.**

Section 102.

CHARGEABLE GAINS: NON-RESIDENT COMPANIES AND GROUPS ETC.

PART I **U.K.**

APPLICATION OF TAXATION OF CHARGEABLE GAINS ACT 1992

Main amendments

- 1 (1) In section 170 of the ^{M1}Taxation of Chargeable Gains Act 1992 (groups of companies: interpretation), the following provisions shall cease to have effect—
- (a) paragraph (a) of subsection (2) (which provides that references to companies apply only to companies resident in the United Kingdom); and
 - (b) in subsection (9)(b) the words “(although resident in the United Kingdom)”.
- (2) The above amendments (referred to in this Schedule as “the main amendments”) have effect in accordance with the following provisions of this Schedule.

Marginal Citations

M1 1992 c. 12.

Transfers within a group

- 2 (1) Section 171 of the ^{M2}Taxation of Chargeable Gains Act 1992 (transfers within a group: general provisions) is amended as follows.
- (2) For subsection (1) (treatment for corporation tax purposes of transfer of asset within group) substitute—
- “(1) Where—
- (a) a company (“company A”) disposes of an asset to another company (“company B”) at a time when both companies are members of the same group, and
 - (b) the conditions in subsection (1A) below are met,
- company A and company B are treated for the purposes of corporation tax on chargeable gains as if the asset were acquired by company B for a consideration of such amount as would secure that neither a gain nor a loss would accrue to company A on the disposal.
- (1A) The conditions referred to in subsection (1)(b) above are—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

- (a) that company A is resident in the United Kingdom at the time of the disposal, or the asset is a chargeable asset in relation to that company immediately before that time, and
- (b) that company B is resident in the United Kingdom at the time of the disposal, or the asset is a chargeable asset in relation to that company immediately after that time.

For this purpose an asset is a “chargeable asset” in relation to a company at any time if, were the asset to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain and would by virtue of section 10(3) form part of its chargeable profits for corporation tax purposes.”.

(3) In subsection (2)—

- (a) in paragraph (a), for “a member of a group of companies” substitute “company B”, and
- (b) in the closing words, for “a member of a group of companies” substitute “company A”.

(4) In subsection (3) for “the company first mentioned in that subsection” substitute “company A”.

(5) After subsection (5) add—

“(6) Subsection (1) above applies notwithstanding any provision in this Act fixing the amount of the consideration deemed to be received on a disposal or given on an acquisition.

But where it is assumed for any purpose that a member of a group of companies has sold or acquired an asset, it shall be assumed also that it was not a sale or acquisition to which this section applies.”.

(6) The above amendments, and the main amendments so far as they apply for the purposes of section 171, have effect in relation to disposals on or after 1st April 2000.

Marginal Citations

M2 1992 c. 12.

Transfer of United Kingdom branch or agency

3 (1) Section 172 of the ^{M3}Taxation of Chargeable Gains Act 1992 (transfer of United Kingdom branch or agency) shall cease to have effect.

(2) The above amendment has effect in relation to disposals on or after 1st April 2000.

Marginal Citations

M3 1992 c. 12.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

De-grouping charge

4 (1) Section 179 of the ^{M4}Taxation of Chargeable Gains Act 1992 (company ceasing to be member of group) is amended as follows.

(2) For subsection (1) substitute—

“(1) This section applies where—

- (a) a company (“company A”) acquires an asset from another company (“company B”) at a time when company B is a member of a group,
- (b) the conditions in subsection (1A) below are met, and
- (c) company A ceases to be a member of that group within the period of six years after the time of the acquisition.

References in this section to a company ceasing to be a member of a group of companies do not apply to cases where a company ceases to be a member of a group in consequence of another member of the group ceasing to exist.

(1A) The conditions referred to in subsection (1)(b) above are—

- (a) that company A is resident in the United Kingdom at the time it acquires the asset, or the asset is a chargeable asset in relation to that company immediately after that time, and
- (b) that company B is resident in the United Kingdom at the time of that acquisition, or the asset is a chargeable asset in relation to that company immediately before that time.

For this purpose an asset is a “chargeable asset” in relation to a company at any time if, were the asset to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain and would by virtue of section 10(3) form part of its chargeable profits for corporation tax purposes.”

(3) In subsection (2A)—

- (a) in paragraph (a)—
 - (i) after “a company” insert “ (“company A”) ”, and
 - (ii) after “another company” insert “ (“company B”) ”,
- (b) in paragraph (b) for “that company’s” substitute “ company A’s ”,
- (c) in paragraph (c) for “the company that made the acquisition” substitute “ company A ”, and
- (d) in the closing words for “the company’s” substitute “ company A’s ”.

(4) In subsections (2B) (three times), (2C), (2D), (3) (three times), (4) (twice), (10)(c) and (13) for “the chargeable company” substitute “ company A ”.

(5) Subsections (11) and (12) (which are superseded by the provision made by paragraph 9 below) shall cease to have effect.

(6) The amendments made by sub-paragraphs (2) to (4) above, and the main amendments so far as they apply for the purposes of section 179, have effect in relation to assets acquired on or after 1st April 2000.

(7) The amendments made by sub-paragraph (5) above have effect in relation to gains accruing on or after 1st April 2000.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Marginal Citations

M4 1992 c. 12.

Reconstruction or amalgamation involving transfer of business

- 5 (1) Section 139 of the ^{M5}Taxation of Chargeable Gains Act 1992 (reconstruction or amalgamation involving transfer of business) is amended as follows.
- (2) In subsection (1) (transfer of business on basis of no gain and no loss) for paragraph (b) (requirement that both companies are resident in the United Kingdom) substitute—
- “(b) the conditions in subsection (1A) below are met in relation to the assets included in the transfer, and”.
- (3) After subsection (1) insert—
- “(1A) The conditions referred to in subsection (1)(b) above are—
- (a) that the company acquiring the assets is resident in the United Kingdom at the time of the acquisition, or the assets are chargeable assets in relation to that company immediately after that time, and
- (b) that the company from which the assets are acquired is resident in the United Kingdom at the time of the acquisition, or the assets are chargeable assets in relation to that company immediately before that time.
- For this purpose an asset is a “chargeable asset” in relation to a company at any time if, were the asset to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain and would by virtue of section 10(3) form part of its chargeable profits for corporation tax purposes.”.
- (4) The above amendments have effect in relation to disposals made on or after 1st April 2000.

Marginal Citations

M5 1992 c. 12.

Deemed disposal on non-resident ceasing to carry on trade in United Kingdom through branch or agency

- 6 (1) Section 25 of the ^{M6}Taxation of Chargeable Gains Act 1992 (non-residents: deemed disposals) is amended as follows.
- (2) After subsection (3) insert—
- “(3A) Subsection (3) above shall not apply if—
- (a) the person ceasing to carry on the trade is a company, and
- (b) the trade is transferred to another company in circumstances in which section 139 or 171 applies in relation to the assets transferred.”.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

- (3) Subsection (4) shall cease to have effect.
- (4) The amendment in sub-paragraph (2) above has effect in relation to cases where section 139 or, as the case may be, section 171 has effect as amended by this Schedule.
- (5) The amendment in sub-paragraph (3) above has effect in relation to cases where section 139 has effect as amended by this Schedule.

Marginal Citations

M6 1992 c. 12.

Restriction on set-off of pre-entry losses

- 7 (1) In Schedule 7A to the Taxation of Chargeable Gains Act 1992 (restriction on set-off of pre-entry losses), paragraph 1 (application and construction of Schedule) is amended as follows.
- ^{F1}(2)
- ^{F1}(3)
- ^{F1}(4)
- ^{F1}(5)
- (6) The above amendments, and the main amendments so far as they apply for the purposes of Schedule 7A, have effect in relation to the amount to be included in respect of chargeable gains in a company's total profits for any accounting period ending on or after 21st March 2000.
- (7) Any question whether a company was, in relation to times before 21st March 2000, a member of a group shall be determined by reference to the position under the ^{M7}Taxation of Chargeable Gains Act 1992 as it stood before the main amendments.
- (8) Any question whether a company was, in relation to times before 6th April 1992, a member of a group shall be determined by reference to the position under the ^{M8}Capital Gains Tax Act 1979.
- (9) Where—
- (a) immediately before the time when the main amendments have effect in relation to a company in accordance with sub-paragraph (6), the company was not a member of a group of companies for the purposes of section 170 of the Taxation of Chargeable Gains Act 1992 (as it stood before the main amendments), and
- (b) immediately after that time, the company is a member of a group of companies for the purposes of that section (as amended by the main amendments),

Schedule 7A to that Act shall not have effect in relation to any losses accruing to the company before that time or any chargeable assets (within the meaning of paragraph 1(3A) of that Schedule) held by it immediately before that time.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Textual Amendments

F1 Sch. 29 para. 7(2)-(5) repealed (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 11 para. 10(c)**

Marginal Citations

M7 1992 c. 12.

M8 1979 c. 14.

Restrictions on setting losses against pre-entry gains

F28

Textual Amendments

F2 Sch. 29 para. 8 repealed (with effect in accordance with s. 70(6)-(11) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 26 Pt. 3(9)**

Recovery of unpaid tax

9 (1) For sections 190 and 191 of the Taxation of Chargeable Gains Act 1992 substitute—

“190 Tax recoverable from another group company or controlling director.

- (1) This section applies where—
- (a) a chargeable gain has accrued to a company (“the taxpayer company”),
 - (b) the condition in subsection (2) below is met, and
 - (c) the whole or part of the corporation tax assessed on the company for the accounting period in which the gain accrued (“the relevant accounting period”) is unpaid at the end of the period of six months after it became payable.
- (2) The condition referred to in subsection (1)(b) above is—
- (a) that the taxpayer company is resident in the United Kingdom at the time when the gain accrued, or
 - (b) that the gain forms part of the taxpayer company’s chargeable profits for corporation tax purposes by virtue of section 10(3).
- (3) The following persons may, by notice under this section, be required to pay the unpaid tax—
- (a) if the taxpayer company was a member of a group at the time when the gain accrued—
 - (i) a company which was at that time the principal company of the group, and
 - (ii) any other company which in any part of the period of twelve months ending with that time was a member of that group and owned the asset disposed of, or any part of it, or where that asset is an interest or right in or over another asset, owned either asset or any part of either asset; and

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

- (b) if the gain forms part of the chargeable profits of the taxpayer company for corporation tax purposes by virtue of section 10(3), any person who is, or during the period of twelve months ending with the time when the gain accrued was, a controlling director of the taxpayer company or of a company which has, or within that period had, control over the taxpayer company.
- (4) The Board may serve a notice on a person within subsection (3) above requiring him, within 30 days of the service of the notice, to pay—
 - (a) the amount which remains unpaid of the corporation tax assessed on the taxpayer company for the relevant accounting period, or
 - (b) if less, an amount equal to corporation tax on the amount of the chargeable gain at the rate in force when the gain accrued.
- (5) The notice must state—
 - (a) the amount of corporation tax assessed on the taxpayer company for the relevant accounting period that remains unpaid,
 - (b) the date when it first became payable, and
 - (c) the amount required to be paid by the person on whom the notice is served.
- (6) The notice has effect—
 - (a) for the purposes of the recovery from that person of the amount required to be paid and of interest on that amount, and
 - (b) for the purposes of appeals,as if it were a notice of assessment and that amount were an amount of tax due from that person.
- (7) Any notice under this section must be served before the end of the period of three years beginning with the date on which the liability of the taxpayer company to corporation tax for the relevant accounting period is finally determined.
- (8) Where the unpaid tax is charged in consequence of a determination under paragraph 36 or 37 of Schedule 18 to the ^{M9}Finance Act 1998 (determination where no return delivered or return incomplete), the date mentioned in subsection (7) above shall be taken to be the date on which the determination was made.
- (9) Where the unpaid tax is charged in a self-assessment, including a self-assessment that supersedes a determination (see paragraph 40 of Schedule 18 to the Finance Act 1998), the date mentioned in subsection (7) above shall be taken to be the latest of—
 - (a) the last date on which notice of enquiry may be given into the return containing the self-assessment;
 - (b) if notice of enquiry is given, 30 days after the enquiry is completed;
 - (c) if more than one notice of enquiry is given, 30 days after the last notice of completion;
 - (d) if after such an enquiry the Inland Revenue amend the return, 30 days after notice of the amendment is issued;
 - (e) if an appeal is brought against such an amendment, 30 days after the appeal is finally determined.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

- (10) If the unpaid tax is charged in a discovery assessment, the date mentioned in subsection (7) above shall be taken to be—
- (a) where there is no appeal against the assessment, the date when the tax becomes due and payable;
 - (b) where there is such an appeal, the date on which the appeal is finally determined.
- (11) A person who has paid an amount in pursuance of a notice under this section may recover that amount from the taxpayer company.
- (12) A payment in pursuance of a notice under this section is not allowed as a deduction in computing any income, profits or losses for any tax purposes.
- (13) In this section—
- “director”, in relation to a company, has the meaning given by section 168(8) of the Taxes Act (read with subsection (9) of that section) and includes any person falling within section 417(5) of that Act (read with subsection (6) of that section);
- “controlling director”, in relation to a company, means a director of the company who has control of it (construing control in accordance with section 416 of the Taxes Act);
- “group” and “principal company” have the meaning which would be given by section 170 if in that section for references to 75 per cent. subsidiaries there were substituted references to 51 per cent. subsidiaries.”.
- (2) In section 87A(3) of the ^{M10}Taxes Management Act 1970 (date from which interest runs in the case of an assessment of a company’s tax on another person)—
- (a) after “In relation to corporation tax assessed” insert “ or treated as assessed ”, and
 - (b) after “139(7)” insert “ or 190 ”.
- (3) The above amendments, and the main amendments so far as they apply for the purposes of section 190 (as substituted by sub-paragraph (1) above), have effect in relation to gains accruing on or after 1st April 2000.
- (4) Any question whether a company was a member of a group during the period of twelve months ending when such a gain accrued shall be determined in accordance with section 170 as amended by the main amendments.

Marginal Citations

M9 1988 c. 36.

M10 1970 c. 9.

Replacement of business assets by members of group

- 10 (1) Section 175 of the ^{M11}Taxation of Chargeable Gains Act 1992 is amended as follows.
- (2) In subsection (1) after “all the trades” insert “ to which this section applies ”.
- (3) After subsection (1) insert—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

“(1A) The trades to which this section applies are—

- (a) any trade carried on by a company that is resident in the United Kingdom, and
- (b) any trade carried on in the United Kingdom through a branch or agency by a company not so resident.”.

(4) In subsection (2A), after paragraph (b) insert—

“(ba) the conditions in subsection (2AA) below are met, and”.

(5) After subsection (2A) insert—

“(2AA) The conditions referred to in subsection (2A)(ba) above are—

- (a) that the company making the disposal is resident in the United Kingdom at the time of the disposal, or the assets are chargeable assets in relation to that company immediately before that time, and
- (b) that the acquiring company is resident in the United Kingdom at the time of the acquisition, or the assets are chargeable assets in relation to that company immediately after that time.

For this purpose an asset is a “chargeable asset” in relation to a company at any time if, were the asset to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain and would by virtue of section 10(3) form part of its chargeable profits for corporation tax purposes.”.

(6) For subsection (3) substitute—

“(3) Section 154(2) applies where the company making the claim is a member of a group of companies—

- (a) as if all members of the group for the time being carrying on a trade to which this section applies were the same person, and
- (b) in accordance with subsection (1) above, as if all those trades were the same trade;

so that the gain accrues to the member of the group holding the asset concerned on the occurrence of the event mentioned in section 154(2).”.

(7) The above amendments, and the main amendments so far as they apply for the purposes of section 175, have effect in relation to cases in which—

- (a) either the disposal or acquisition is on or after 1st April 2000, or
- (b) both the disposal and acquisition are on or after that date.

(8) In a case falling within paragraph (a) of sub-paragraph (7) above, any question whether a company was, at the time of the acquisition or disposal corresponding to the disposal or acquisition referred to in that paragraph, a member of a group shall be determined in accordance with section 170 of the Taxation of Chargeable Gains Act 1992 as amended by the main amendments.

Marginal Citations

M11 1992 c. 12.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Transfers of assets within a group: trading stock

11 (1) For section 173 of the Taxation of Chargeable Gains Act 1992 substitute—

“173 Transfers within a group: trading stock.

(1) Where—

- (a) a company (“company A”) acquires an asset as trading stock of a trade to which this section applies,
- (b) the acquisition is from a company (“company B”) that at the time of the acquisition is a member of the same group of companies, and
- (c) the asset did not form part of the trading stock of any such trade carried on by company B,

company A is treated for the purposes of section 161 as having acquired the asset otherwise than as trading stock and immediately appropriated it for the purposes of the trade as trading stock.

(2) Where—

- (a) a company (“company C”) disposes of an asset forming part of the trading stock of a trade to which this section applies carried on by that company,
- (b) the disposal is to another company (“company D”) that at the time of the disposal is a member of the same group of companies, and
- (c) the asset is acquired by company D otherwise than as trading stock of any such trade carried on by it,

company C is treated for the purposes of section 161 as having appropriated the asset immediately before the disposal for some purpose other than the purpose of use as trading stock.

(3) The trades to which this section applies are—

- (a) any trade carried on by a company resident in the United Kingdom, and
- (b) any trade carried on in the United Kingdom through a branch or agency by a company not so resident.”.

(2) The above amendment, and the main amendments so far as they apply for the purposes of section 173 (as substituted by sub-paragraph (1) above), have effect in relation to acquisitions and disposals on or after 1st April 2000.

Restriction of losses by reference to capital allowances

12 (1) In section 41 of the Taxation of Chargeable Gains Act 1992, after subsection (7) add—

“(8) Where there is a disposal of an asset acquired in circumstances in which—

- (a) section 140A applies, or
- (b) section 171 applies or would apply but for subsection (2) of that section,

this section has effect in relation to capital allowances made to the person from which it was acquired (so far as not taken into account in relation to a disposal of the asset by that person), and so on as respects previous transfers of the asset in such circumstances.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

This does not affect the consideration for which an asset is deemed under section 140A or 171 to be acquired.”.

- (2) The above amendment has effect in relation to cases where the disposal first referred to in section 41(8) (as inserted by sub-paragraph (1) above) is on or after 1st April 2000.

Assets held on 6th April 1965: disposal outside group

- 13 (1) Section 174 of the ^{M12}Taxation of Chargeable Gains Act 1992 is amended as follows.
- (2) In subsection (4) for “at a time when both were members of the group” substitute “in a transfer to which section 171(1) applied”.
- (3) Subsection (5) shall cease to have effect.
- (4) The above amendments, and the main amendments so far as they apply for the purposes of section 174, have effect in relation to acquisitions on or after 1st April 2000.
- (5) Any question whether a company was, in relation to times before 1st April 2000, a member of a group shall be determined in accordance with section 170 of the Taxation of Chargeable Gains Act 1992 as it stood before the main amendments.

Marginal Citations

M12 1992 c. 12.

PART II U.K.

MINOR AND CONSEQUENTIAL AMENDMENTS

Section 97 of the ^{M13}Inheritance Tax Act 1984

Marginal Citations

M13 1984 c. 51.

- 14 The main amendments have effect for the purposes of section 97 of the Inheritance Tax Act 1984 (transfer of asset within a group of companies) in relation to disposals on or after 1st April 2000.

Section 132 of the ^{M14}Finance Act 1988

Marginal Citations

M14 1988 c. 39.

- 15 (1) In section 132 of the Finance Act 1988 (recovery of tax from another group company or controlling director), in subsection (6), in the definition of “group”, the words

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

“references to residence in the United Kingdom were omitted and” shall cease to have effect.

- (2) The above amendment, and the main amendments so far as they apply for the purposes of section 132, have effect in relation to cases in which the migrating company ceases to be resident in the United Kingdom on or after 1st April 2000.
- (3) Any question whether a company was a member of a group during the period of twelve months ending when the migrating company ceased to be so resident shall be determined in accordance with section 170 of the Taxation of Chargeable Gains Act 1992 as amended by the main amendments.

Section 14 of the Taxation of Chargeable Gains Act 1992

- 16 (1) Section 14 of the Taxation of Chargeable Gains Act 1992 (non-resident groups of companies) is amended as follows.
 - (2) For subsection (2) substitute—

“(2) The following provisions—

 - (a) section 41(8),
 - (b) section 171 (except subsections (1)(b) and (1A)),
 - (c) section 173 (with the omission of the words “to which this section applies” in subsections (1)(a) and (2)(a) and “such” in subsections (1)(c) and (2)(c) and with the omission of subsection (3)),
 - (d) section 174(4) (with the substitution of “ at a time when both were members of the group” for “in a transfer to which section 171(1) applied”), and
 - (e) section 175(1) (with the omission of the words “to which this section applies”),

shall apply in relation to non-resident companies which are members of a non-resident group of companies as they apply in relation to companies which are members of a group of companies.”
 - (3) In subsection (3), for “Sections 178 to 180” substitute “ Section 179 (except subsections (1)(b) and (1A)) ”.
 - (4) In subsection (4)(b), the words “without subsections (2)(a), (9) and (12) to (14)” shall cease to have effect.
 - (5) The above amendments, and the main amendments so far as they apply for the purposes of section 14, have effect in cases in which section 41, 171, 173, 174(4), 175(1) or 179, as the case may be, have effect as amended by this Schedule.

Section 31A of the ^{M15}Taxation of Chargeable Gains Act 1992

Marginal Citations

M15 1992 c. 12.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Textual Amendments

F3 Sch. 29 para. 17 repealed (with effect in accordance with Sch. 9 para. 6 of the amending Act) by Finance Act 2011 (c. 11), Sch. 9 para. 5(c)

Section 106 of the Taxation of Chargeable Gains Act 1992

F4¹⁸

Textual Amendments

F4 Sch. 29 para. 18 repealed (with effect in accordance with s. 72 of the amending Act) by Finance Act 2006 (c. 25), Sch. 26 Pt. 3(9)

Section 116 of the Taxation of Chargeable Gains Act 1992

19 (1) In section 116 of the ^{M16}Taxation of Chargeable Gains Act 1992 (reorganisations, conversions and reconstructions), in subsection (11) for “171(1) or 172” substitute “ or 171(1) ”.

(2) The above amendment has effect in accordance with paragraph 3(2).

Marginal Citations

M16 1992 c. 12.

Section 117A of the Taxation of Chargeable Gains Act 1992

F5²⁰

Textual Amendments

F5 Sch. 29 para. 20 repealed (with effect as mentioned in Sch. 40 Pt. 3(10) Note 2 of the repealing Act) by 2002 c. 23, s. 141, Sch. 40 Pt. 3(10) Note 2

Section 117B of the Taxation of Chargeable Gains Act 1992

F6²¹

Textual Amendments

F6 Sch. 29 para. 21 repealed (with effect as mentioned in Sch. 40 Pt. 3(10) Note 2 of the repealing Act) by 2002 c. 23, s. 141, Sch. 40 Pt. 3(10) Note 2

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Section 138A of the Taxation of Chargeable Gains Act 1992

- 22 The main amendments have effect for the purposes of section 138A of the Taxation of Chargeable Gains Act 1992 (use of earn-out rights for exchange of securities) in relation to rights conferred on or after 1st April 2000.

Section 140 of the Taxation of Chargeable Gains Act 1992

- 23 (1) In section 140 of the Taxation of Chargeable Gains Act 1992 (postponement of charge on transfer of assets to non-resident company), in subsection (6)(b) for “apart from section 170(2)(a) and (9)” substitute “ if subsections (1)(b) and (1A) of that section and section 170(9) were disregarded ”.
- (2) The above amendment has effect in relation to disposals on or after 1st April 2000.

Section 176 of the Taxation of Chargeable Gains Act 1992

- 24 (1) In section 176 of the Taxation of Chargeable Gains Act 1992 (depreciatory transactions within a group), in subsection (7), paragraph (c) and the word “and” immediately preceding it shall cease to have effect.
- (2) The above amendment, and the main amendments so far as they apply for the purposes of section 176, have effect in relation to cases in which the depreciatory transaction (within the meaning of that section) is on or after 1st April 2000.

Section 177 of the Taxation of Chargeable Gains Act 1992

- 25 (1) In section 177 of the Taxation of Chargeable Gains Act 1992 (dividend stripping), in subsection (2) for “171 or 172” substitute “ or 171 ”.
- (2) The above amendment, and the main amendments so far as they apply for the purposes of section 177, have effect in relation to disposals on or after 1st April 2000.

Section 178 of the Taxation of Chargeable Gains Act 1992

- 26 Section 178 of the Taxation of Chargeable Gains Act 1992 (which is spent) shall cease to have effect.

Section 180 of the Taxation of Chargeable Gains Act 1992

- 27 Section 180 of the Taxation of Chargeable Gains Act 1992 (which is spent) shall cease to have effect.

Section 181 of the Taxation of Chargeable Gains Act 1992

- 28 (1) In section 181 of the Taxation of Chargeable Gains Act 1992 (exemption from de-grouping charge in the case of certain mergers)—
- (a) in subsection (1), for “neither section 178 nor section 179 shall” substitute “ section 179 shall not ”; and
- (b) subsection (5) shall cease to have effect.
- (2) The amendment made by sub-paragraph (1)(b) above, and the main amendments so far as they apply for the purposes of section 181, have effect in relation to cases in which the company ceases to be a member of a group on or after 1st April 2000.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Section 192 of the Taxation of Chargeable Gains Act 1992

- 29 In section 192 of the ^{M17}Taxation of Chargeable Gains Act 1992 (tax exempt distributions), in subsection (3) for “neither section 178 nor 179 shall” substitute “section 179 shall not”.

Marginal Citations

M17 1992 c. 12.

Section 211 of the Taxation of Chargeable Gains Act 1992

- F730

Textual Amendments

F7 Sch. 29 para. 30 repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 27 Pt. 2(9)

Section 216 of the Taxation of Chargeable Gains Act 1992

- 31 The main amendments have effect for the purposes of section 216 of the Taxation of Chargeable Gains Act 1992 (assets transferred from building society to company) in relation to transfers on or after 1st April 2000.

Section 217C of the Taxation of Chargeable Gains Act 1992

- 32 (1) In section 217C of the Taxation of Chargeable Gains Act 1992 (disposal of assets by incorporated friendly society), for subsection (2) substitute—
- “(2) If the disposal by the incorporated society is in the circumstances mentioned in subsection (8) of section 41, the disposal to which section 217A(3) applies shall for the purposes of that subsection be taken to have been a previous transfer of the asset in such circumstances.”.
- (2) The above amendment has effect in relation to cases in which the disposal by the incorporated society is on or after 1st April 2000.

Section 228 of the Taxation of Chargeable Gains Act 1992

- 33 The main amendments have effect for the purposes of section 228 of the Taxation of Chargeable Gains Act 1992 (conditions for roll-over relief: supplementary) in relation to disposals on or after 1st April 2000.

Section 253 of the Taxation of Chargeable Gains Act 1992

- 34 The main amendments have effect for the purposes of section 253 of the ^{M18}Taxation of Chargeable Gains Act 1992 (relief for loans to traders)—
- (a) in relation to loans made on or after 1st April 2000;
- (b) in relation to guarantees given on or after that date.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Marginal Citations

M18 1992 c. 12.

Section 276 of the Taxation of Chargeable Gains Act 1992

35 (1) In section 276 of the Taxation of Chargeable Gains Act 1992 (application of the 1992 Act to the territorial sea and the continental shelf), for subsection (8) substitute—

“(8) The provisions specified in subsection (9) below shall apply in relation to a disposal of exploration or exploitation rights or exploration or exploitation assets if (and only if) the disposal is—

- (a) by a company resident in a territory outside the United Kingdom to a company resident in the same territory,
- (b) by a company resident in the United Kingdom to another company which is so resident, or
- (c) by a company which is not resident in the United Kingdom to another company which is resident there.

(9) Those provisions are—

- (a) section 41(8),
- (b) section 171 (except subsections (1)(b) and (1A)),
- (c) section 173 (with the omission of the words “to which this section applies” in subsections (1)(a) and (2)(a) and “such” in subsections (1)(c) and (2)(c) and with the omission of subsection (3)),
- (d) section 174(4) (with the substitution of “at a time when both were members of the group” for “in a transfer to which section 171(1) applied”),
- (e) section 179 (except subsections (1)(b) and (1A)), and
- (f) section 181.

(10) The provisions specified in subsection (9) above shall apply in accordance with subsection (8) above with the following modifications—

- (a) for the purposes of paragraph (a) of subsection (9) above, section 41(8) applies as if section 170 applied, for the purposes of section 171, with the omission of subsection (9), and
- (b) for the purposes of paragraphs (b) to (f) of subsection (9) above, the provisions specified in those paragraphs apply as if in section 170 subsection (9) were omitted.”

(2) The above amendment has effect in cases in which section 41, 171, 173, 174(4), 179 or 181, as the case may be, has effect as amended by this Schedule.

Schedule A1 to the Taxation of Chargeable Gains Act 1992

36 The main amendments have effect for the purposes of paragraph 11 of Schedule A1 to the Taxation of Chargeable Gains Act 1992 (rules for application of taper relief) in relation to any determination whether, at any time on or after 1st April 2000, a company is a 51 per cent subsidiary of another company.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Schedule 2 to the Taxation of Chargeable Gains Act 1992

37 The main amendments have effect for the purposes of paragraph 5 of Schedule 2 to the ^{M19}Taxation of Chargeable Gains Act 1992 (disposals of assets held on 6th April 1965) in relation to any determination whether, at any time on or after 1st April 2000, a company is a member, or the principal company, of a group of companies.

Marginal Citations
M19 1992 c. 12.

Schedule 3 to the Taxation of Chargeable Gains Act 1992

38 The main amendments have effect for the purposes of paragraphs 8 and 9 of Schedule 3 to the Taxation of Chargeable Gains Act 1992 (disposals of assets held on 31st March 1982: supplementary provisions) in relation to any determination whether, at any time on or after 1st April 2000, a company is a member, or the principal company, of a group of companies.

Schedule 7B to the Taxation of Chargeable Gains Act 1992

^{F8}39

Textual Amendments
F8 Sch. 29 para. 39 repealed (with effect in relation to periods of account (whenever beginning) which end on or after 31.12.2006) by [The Overseas Life Insurance Companies Regulations 2006 \(S.I. 2006/3271\)](#), reg. 1, [Sch. Pt. 1](#)

Schedule 7C to the Taxation of Chargeable Gains Act 1992

40 The main amendments have effect for the purposes of Schedule 7C to the Taxation of Chargeable Gains Act 1992 (which is inserted by virtue of section 48 of this Act).

Section 136 of the Finance Act 1993

^{F9}41

Textual Amendments
F9 [Sch. 29 paras. 41-43](#) repealed (with effect as mentioned in Sch. 40 Pt. 3(10) Note 2 of the repealing Act) by 2002 c. 23, s. 141, [Sch. 40 Pt. 3\(10\)](#) Note 2

Section 136A of the Finance Act 1993

^{F10}42

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

Textual Amendments

F10 Sch. 29 paras. 41-43 repealed (24.7.2002 with effect as mentioned in Sch. 40 Pt. 3(10) Note 2 of the repealing Act) by 2002 c. 23, s. 141, Sch. 40 Pt. 3(10) Note 2

Schedule 17 to the Finance Act 1993

F1143

Textual Amendments

F11 Sch. 29 paras. 41-43 repealed (24.7.2002 with effect as mentioned in Sch. 40 Pt. 3(10) Note 2 of the repealing Act) by 2002 c. 23, s. 41, Sch. 40, Pt. 3(10) Note 2

Schedule 9 to the Finance Act 1996

F1244

Textual Amendments

F12 Sch. 29 para. 44 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

Schedule 15 to the Finance Act 1996

- 45 (1) In Schedule 15 to the Finance Act 1996 (loan relationships: savings and transitional provisions), in paragraph 8(2) for “171(1) or 172” substitute “ or 171(1) ”.
- (2) The above amendment has effect in accordance with paragraph 3(2) above.

PART III U.K.

TRANSITIONAL PROVISIONS

- 46 (1) For the purposes of this paragraph—
- (a) references to a company which was a member of an old group are references to it being, immediately before the time when the main amendments have effect in accordance with the preceding provisions of this Schedule, a member of a group for the purposes of section 170 of the ^{M20}Taxation of Chargeable Gains Act 1992 (as it stood before the main amendments), and
 - (b) references to a company which is a member of a new group are references to it being, immediately after that time, a member of a group for the purposes of that section (as amended by the main amendments).
- (2) Where the same two or more companies were members of an old group and are members of a new group, those groups shall be regarded as the same group for the purposes of the provisions amended by this Schedule in relation to which the main amendments have effect.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

- (3) Sub-paragraph (2) above applies irrespective of whether the new group includes companies which were not members of the old group.
- (4) Sub-paragraph (5) below applies in relation to a company which—
- (a) was a member of an old group, but
 - (b) is not a member of a new group by reason only that—
 - (i) the principal company of the old group is not the principal company of the new group, and
 - (ii) the company in question is not an effective 51 per cent subsidiary of the principal company of the new group.
- (5) For the purposes of the provisions amended by this Schedule in relation to which the main amendments have effect, section 170(3)(b) of the Taxation of Chargeable Gains Act 1992 shall not apply in relation to the company for so long as it remains an effective 51 per cent subsidiary of the company which was the principal company of the old group.
- (6) Expressions used in this paragraph and in section 170 of the ^{M21}Taxation of Chargeable Gains Act 1992 shall be construed for the purposes of this paragraph in accordance with that section.

Marginal Citations

M20 1992 c. 12.

M21 1992 c. 12.

De-grouping charge: deferral until company leaves new group

- [^{F13}47] (1) This paragraph has effect for the purposes of section 179 of the Taxation of Chargeable Gains Act 1992 as that section has effect in relation to assets acquired before 1st April 2000 (“old section 179”).
- (2) Where—
- (a) a company would (apart from this paragraph) fall to be regarded for the purposes of old section 179 as ceasing to be a member of an old group at any time, but
 - (b) immediately before that time, it is also a member of a new group for the purposes of new section 179,
- the company shall not be regarded for the purposes of old section 179 as ceasing to be a member of the old group unless or until it also ceases to be a member of the new group for the purposes of new section 179.
- (3) Sub-paragraph (2) above does not prevent the company from being or becoming a member of another old group at any time.
- (4) Where a company ceases to be a member of a new group on any occasion, it shall not by virtue of sub-paragraph (2) above be treated for the purposes of old section 179 as if it had on that occasion ceased to be a member of the same old group more than once.
- (5) For the purposes of this paragraph—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29. (See end of Document for details)

- (a) references to a company being a member of an old group are references to its being, for the purposes of old section 179, a member of a group of companies within the meaning given by old section 170;
 - (b) references to a company being a member of a new group are references to its being, for the purposes of new section 179, a member of a group of companies within the meaning given by new section 170; and
 - (c) references to a company ceasing to be a member of an old group or a new group shall be construed in accordance with paragraph (a) or (b) above, as the case may be.
- (6) Where, for the purposes of sub-paragraph (2)(b) above, a company is not a member of a new group by reason only that—
- (a) the principal company of the old group is not the principal company of the new group, and
 - (b) the company in question is not an effective 51 per cent subsidiary of the principal company of the new group,
- subsection (3)(b) of new section 170 shall not apply in relation to the company for the purposes of this paragraph for so long as it remains an effective 51 per cent subsidiary of the company which was the principal company of the old group.
- (7) In this paragraph—
- (a) “new section 179” means section 179 of the Taxation of Chargeable Gains Act 1992 (c. 12) as it has effect in relation to assets acquired on or after 1st April 2000;
 - (b) “new section 170” means section 170 of that Act, as amended by the main amendments;
 - (c) “old section 170” means section 170 of the Taxation of Chargeable Gains Act 1992, as it stands before the main amendments.
- (8) Expressions used in this paragraph and in section 170 of the Taxation of Chargeable Gains Act 1992 shall be construed in accordance with that section.]

Textual Amendments

F13 Sch. 29 para. 47 added (*retrospectively*) by 2001 c. 9, s. 79

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2000, SCHEDULE 29.