

SCHEDULE 1

CROSS-BORDER TRANSFERS OF BUSINESS

Modifications etc. (not altering text)

- C1** Sch. 1 modified (retrospective to 29.11.2007) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2008 \(S.I. 2008/1579\)](#), regs. 1(2), 4

PART 5

AMENDMENT OF CAA 2001

Capital allowances

25.—(1) Section 561 of CAA 2001 (transfer of UK trade to a company in another member state) ^{M1} is amended as follows.

(2) For subsection (1) substitute—

“(1) This section applies if and in so far as—

- (a) a qualifying company resident in one member State (“the transferor”) transfers the whole or part of a business carried on by it in the United Kingdom to one or more qualifying companies resident in one or more other member States (“the transferee” or “the transferees”),
- (b) section 140A ^{M2} of TCGA 1992 (transfer of assets treated as no-gain no-loss disposal) applies in relation to the transfer, and
- (c) immediately after the transfer the transferee (or one or more of the transferees)—
 - (i) is resident in the United Kingdom, or
 - (ii) carries on in the United Kingdom through a permanent establishment a business which consists of, or includes, the business or part of the business transferred.”.

(3) In subsection (2)(b)—

- (a) for “company A” substitute “ the transferor ”, and
- (b) for “company B” substitute “ the transferee (or each transferee) ”.

(4) The heading accordingly becomes “ Transfer or division of UK business ”.

Marginal Citations

M1 2001 c. 2.

M2 Section 140A was inserted by section 44 of the Finance (No. 2) Act 1992.

Changes to legislation:

There are currently no known outstanding effects for the The Corporation Tax (Implementation of the Mergers Directive) Regulations 2007, PART 5.