

SCHEDULES

SCHEDULE 2

TAXATION

General

- 6 (1) Section 137 of the Taxes Act (valuation of trading stock on discontinuance of trade) shall not apply in relation to the discontinuance of the business of an existing bank.
- (2) The transfer of any trading stock investment from an existing bank to its successor effected by section 3 above shall be treated, for the purposes of corporation tax, as not constituting a disposal of that investment by the bank; but on the disposal of any such investment by the successor, the gain or, as the case may be, loss accruing to the successor shall be calculated (for the purposes of corporation tax) as if the investment had been acquired by the successor for the same consideration as that for which it was acquired by the bank.
- (3) Where a gain or loss accrues to the successor to an existing trustee savings bank on the disposal of an exempt investment held by the bank on 21st November 1979, the provisions of subparagraphs (2) to (6) of paragraph 2, and (2) to (4) of paragraph 6, of Schedule 11 to the Finance Act 1980 shall apply in relation to the successor as they would apply to the bank if the investment had continued to be held until disposal by the bank and this Act had not been passed.
- (4) Subject to any claim made by an existing bank under subsection (2) of section 177 of the Taxes Act (set off of losses against total profits), its successor shall be entitled to relief under subsection (1) of that section (carry forward of losses), as for a loss sustained by the successor in carrying on the trade, for any amount for which the bank would have been entitled to claim relief if it had continued to carry on the trade.
- (5) Section 339(1) of the Taxes Act (exemption from corporation tax of income from certain investments of existing banks) shall apply in relation to the successor to an existing bank as it applied in relation to the bank.
- (6) Sections 339(2) and 304(5) of the Taxes Act (which deny to trustee savings banks certain benefits accorded to other savings banks) shall apply in relation to the successor to an existing bank and to any further successor as they applied in relation to the bank.
- (7) Paragraphs 3 and 4 of Schedule 11 to the Act of 1980 (restriction of allowable deductions and of charges on income) shall apply in relation to the successor to an existing trustee savings bank as they applied in relation to the bank.
- (8) Section 29 of the Finance Act 1973 (group relief: effect of arrangements for transfer of company to another group) shall not apply in relation to any transfer effected by section 3 above.