



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART VIII

TAXATION OF INCOME AND CHARGEABLE GAINS OF COMPANIES

Taxation of income

VALID FROM 21/07/2008

[^{F1}343ZA] Transfers of trade to obtain balancing allowances

- (1) This section applies where—
- (a) a company (“the predecessor”) ceases to carry on a trade,
 - (b) another company (“the successor”) begins to carry on the activities of that trade as its trade or as part of its trade,
 - (c) in the accounting period in which the predecessor ceases to carry on the trade the predecessor would (apart from this section) be entitled under Part 2 of the Capital Allowances Act to a balancing allowance in respect of the trade, and
 - (d) the predecessor's ceasing to carry on the trade is part of a scheme or arrangement the main purpose, or one of the main purposes, of which is to entitle the predecessor to that balancing allowance.
- (2) This section also applies where—
- (a) a company (“the predecessor”) ceases to carry on part of a trade,
 - (b) another company (“the successor”) begins to carry on the activities of that part of the trade as its trade or as part of its trade, and
 - (c) the predecessor's ceasing to carry on the part of the trade mentioned in paragraph (a) is part of a scheme or arrangement the main purpose, or one of the main purposes, of which is to entitle the predecessor, on cessation of the trade, to a balancing allowance in respect of the trade under Part 2 of the Capital Allowances Act.

Status: Point in time view as at 31/07/1997. This version of this provision is not valid for this point in time.

Changes to legislation: *Income and Corporation Taxes Act 1988, Section 343ZA is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (3) This section does not apply where section 343 applies.
- (4) Where this section applies, the Corporation Tax Acts have effect subject to section 343(2), but as if the words “and are subject to section 343A (company reconstructions involving business of leasing plant or machinery)” were omitted.
- (5) Where this section applies because of subsection (1), and the successor carries on the activities of the trade the predecessor ceased to carry on as part of the successor's trade, for the purposes of section 343(2) that part of the successor's trade is to be treated as a separate trade carried on by the successor.
- (6) Where this section applies because of subsection (2), for the purposes of section 343(2)—
 - (a) that part of the trade which the predecessor ceased to carry on is to be treated as a separate trade carried on by the predecessor, and
 - (b) where the successor carries on the activities of that part of the trade as part of its trade, that part of the successor's trade is to be treated as a separate trade carried on by the successor.
- (7) Where subsection (5) or (6) applies, such apportionment of receipts, expenses, assets and liabilities is to be made as may be just.
- (8) Section 343(10) applies to an apportionment under subsection (7) as it applies to an apportionment under section 343(9).]

Textual Amendments

- F1** S. 343ZA inserted (with effect in accordance with s. 89(2) of the amending Act) by [Finance Act 2008](#) (c. 9), s. 89(1)

Status:

Point in time view as at 31/07/1997. This version of this provision is not valid for this point in time.

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