Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VI

COMPANIES, OIL, INSURANCE ETC.

CHAPTER I

COMPANIES

Transactions within groups

[F1171A Notional transfers within a group.

(1) This section applies where—

(a) two companies ("A" and "B") are members of a group of companies; and

(b) A disposes of an asset to a person who is not a member of the group ("C").

(2) Subject to subsections (3) and (4) below, A and B may, by notice in writing to an officer of the Board, jointly elect that, for the purposes of corporation tax on chargeable gains—

(a) the asset, or any part of it, shall be deemed to have been transferred by A to B immediately before the disposal to C;

(b) section 171(1) shall be deemed to have applied to that transfer; F2...

(c) the disposal of the asset or part to C shall be deemed to have been made by B[F3; and

(d) any incidental costs to A of making the actual disposal to C shall be deemed to be incidental costs to B of making the deemed disposal to C].

(3) No election may be made under subsection (2) above unless section 171(1) would have applied to an actual transfer of the asset or part from A to B.

(4) An election under that subsection must be made **[**F4on or before**]** the second anniversary of the end of the accounting period of A in which the disposal to C was made.

(5) Any payment by A to B, or by B to A, in pursuance of an agreement between them in connection with the election—

(a) shall not be taken into account in computing profits or losses of either company for corporation tax purposes, and

(b) shall not for any purposes of the Corporation Tax Acts be regarded as a distribution or a charge on income,

provided it does not exceed the amount of the chargeable gain or allowable loss that is treated, as a result of the disposal, as accruing to B.**]**

Textual Amendments

F1 S. 171A inserted (with effect in accordance with s. 101(2) of the amending Act) by Finance Act 2000 (c. 17), **s. 101(1)**

F2 Word in s. 171A(2) omitted (11.5.2001) by virtue of Finance Act 2001 (c. 9), **s. 77(2)** (with Sch. 3)

F3 S. 171A(2)(d) and preceding word added (11.5.2001) by Finance Act 2001 (c. 9), **s. 77(2)** (with Sch. 3)

F4 Words in s. 171A(4) substituted (11.5.2001) by Finance Act 2001 (c. 9), **s. 77(3)** (with Sch. 3)

Status:
Point in time view as at 11/05/2001. This version of this provision has been superseded.

Changes to legislation:
Taxation of Chargeable Gains Act 1992, Section 171A is up to date with all changes known to be in force on or before 28 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.