



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VI

COMPANIES, OIL, INSURANCE ETC.

CHAPTER I

COMPANIES

Transactions within groups

175 Replacement of business assets by members of a group.

- (1) Subject to subsection (2) below, for the purposes of sections 152 to 158 all the trades [^{F1}to which this section applies] carried on by members of a group of companies shall, for the purposes of corporation tax on chargeable gains, be treated as a single trade ^{F2}...

[^{F3}(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 [^{F4}permanent establishment] by a company not so resident.]

- (2) Subsection (1) above does not apply where so much of the consideration for the disposal of the old assets as is applied in acquiring the new assets or the interest in them is so applied by a member of the group which is a dual resident investing company ^{F5}... and in this subsection “the old assets” and “the new assets” have the same meanings as in section 152.

[^{F6}(2A) Section 152 [^{F7}or 153] shall apply where—

- (a) the disposal is by a company which, at the time of the disposal, is a member of a group of companies,

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- (b) the acquisition is by another company which, at the time of the acquisition, is a member of the same group, and
- ^{F8}(ba) [the conditions in subsection (2AA) below are met, and]
- (c) the claim is made by both companies, as if both companies were the same person.
- [The conditions referred to in subsection (2A)(ba) above are—
- ^{F9}(2AA) (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 [^{F10}10B] form part of its chargeable profits for corporation tax purposes.]
- (2B) Section 152 [^{F11}or 153] shall apply where a company which is a member of a group of companies but is not carrying on a trade—
- (a) disposes of assets (or an interest in assets) used, and used only, for the purposes of the trade which (in accordance with subsection (1) above) is treated as carried on by the members of the group which carry on a trade, or
- (b) acquires assets (or an interest in assets) taken into use, and used only, for those purposes,
- as if the first company were carrying on that trade.
- (2C) [^{F12}Neither section 152 nor section 153 shall] apply if the acquisition of, or of the interest in, the new assets—
- (a) is made by a company which is a member of a group of companies, and
- (b) is one to which any of the enactments specified in section 35(3)(d) applies.]
- [^{F13}(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).]
- (4) Subsection (2) above shall apply where the acquisition took place before 20th March 1990 and the disposal takes place within the period of 12 months beginning with the date of the acquisition or such longer period as the Board may by notice allow with the omission of the words from “or a company” to “the acquisition”.

Textual Amendments

- F1** Words in s. 175(1) inserted (with effect in accordance with Sch. 29 para. 10(7) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 29 para. 10(2)** (with Sch. 29 paras. 10(8), 46(5))

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- F2** Words in s. 175(1) repealed (with effect in accordance with Sch. 29 Pt. VIII(4) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 29 Pt. VIII\(4\)](#)
- F3** S. 175(1A) inserted (with effect in accordance with Sch. 29 para. 10(7) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 29 para. 10\(3\)](#) (with [Sch. 29 paras. 10\(8\)](#), [46\(5\)](#))
- F4** Words in s. 175(1A)(b) substituted (with effect in accordance with s. 153(4) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 153\(1\)\(b\)](#)
- F5** Words in s. 175(2) repealed (with effect in accordance with s. 251(1)(a)(8) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 251\(8\)](#), [Sch. 26 Pt. VIII\(1\)](#)
- F6** S. 175(2A)-(2C) inserted (retrospectively as respects s. 175(2A), with application in accordance with s. 48(5) of the amending Act as respects s. 175(2B)(2C)) by [Finance Act 1995 \(c. 4\)](#), [s. 48\(1\)\(3\)](#) (with [s. 48\(4\)\(5\)](#))
- F7** Words in s. 175(2A) inserted (with effect in accordance with s. 121(8) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 141\(3\)\(a\)](#)
- F8** S. 175(2A)(ba) inserted (with effect in accordance with Sch. 29 para. 10(7) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 29 para. 10\(4\)](#) (with [Sch. 29 paras. 10\(8\)](#), [46\(5\)](#))
- F9** S. 175(2AA) inserted (with effect in accordance with Sch. 29 para. 10(7) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 29 para. 10\(5\)](#) (with [Sch. 29 paras. 10\(8\)](#), [46\(5\)](#))
- F10** Word in s. 175(2AA) substituted (with effect in accordance with s. 155(2) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 27 para. 2\(3\)](#)
- F11** Words in s. 175(2B) inserted (with effect in accordance with s. 121(8) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 141\(3\)\(a\)](#)
- F12** Words in s. 175(2C) substituted (with effect in accordance with s. 121(8) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 141\(3\)\(b\)](#)
- F13** S. 175(3) substituted (with effect in accordance with Sch. 29 para. 10(7) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 29 para. 10\(6\)](#) (with [Sch. 29 paras. 10\(8\)](#), [46\(5\)](#))

Modifications etc. (not altering text)

- C1** Ss. 170-192 restricted (27.7.1999) by [Commonwealth Development Corporation Act 1999 \(c. 20\)](#), [Sch. 3 paras. 1](#), [4\(1\)](#)
- C2** Ss. 170-181 restricted (12.1.2000) by [Greater London Authority Act 1999 \(c. 29\)](#), [ss. 419\(3\)](#), [425\(2\)](#); [S.I. 1999/3434](#), [art. 2](#)
- C3** Ss. 170-181 modified (5.10.2004) by [Energy Act 2004 \(c. 20\)](#), [s. 198\(2\)](#), [Sch. 9 para. 35\(a\)](#) (with [s. 38\(2\)](#)); [S.I. 2004/2575](#), [art. 2\(1\)](#), [Sch. 1](#)
- C4** S. 175(2A)(c) restricted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [s. 48\(4\)](#)

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