

Status: Point in time view as at 23/01/2003. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 58. (See end of Document for details)

SCHEDULES

SCHEDULE 29

GAINS AND LOSSES OF A COMPANY FROM INTANGIBLE FIXED ASSETS

Modifications etc. (not altering text)

C1 Sch. 29 applied (with modifications) (15.8.2002) by [S.I. 2002/1967](#), [regs. 3-6](#)

PART 9

APPLICATION OF PROVISIONS TO GROUPS OF COMPANIES

Company ceasing to be member of group (“degroupin”g)

- 58 (1) This paragraph applies where—
- (a) a company (“the transferor”) that is a member of a group (“the group”) transfers an intangible fixed asset (“the relevant asset”) to another company (“the transferee”),
 - (b) the relevant asset is a chargeable intangible asset in relation to the transferor immediately before the transfer and in relation to the transferee immediately after the transfer, and
 - (c) the transferee—
 - (i) having been a member of the group at the time of the transfer, or
 - (ii) having subsequently become a member of the group,ceases to be a member of the group after the transfer and before the end of the period of six years after the date of the transfer.
- (2) If, when the transferee ceases to be a member of the group, the relevant asset is held by the transferee or an associated company also leaving the group, this Schedule has effect as if the transferee, immediately after the transfer of the relevant asset to it, had realised the asset for its market value at that time and immediately reacquired the asset at that value.
- (3) The adjustments required to be made in consequence of sub-paragraph (2), by the transferee or a company to which the relevant asset has been subsequently transferred, in relation to the period between—
- (a) the transfer of the relevant asset to the transferee, and
 - (b) the transferee ceasing to be a member of the group,
- shall be made by bringing the aggregate net credit or debit into account as if it had arisen immediately before the transferee ceased to be a member of the group.
- (4) For the purposes of Part 6 (how credits and debits are given effect) credits or debits brought into account by virtue of this paragraph take their character from the

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purposes for which the relevant asset was held by the transferee immediately after the transfer.

Provided that, in a case where—

- (a) the asset was then held by the transferee for the purposes of a trade, business or concern within paragraph 31, 32 or 33, and
- (b) the transferee ceased to carry on that trade, business or concern before it ceased to be a member of the group,

any credit or debit brought into account by virtue of this paragraph in respect of the asset shall be treated for the purposes of Part 6 as a non-trading credit or debit.

(5) This paragraph has effect subject to—

- paragraph 59 (associated companies leaving group at the same time),
- paragraph 60 (principal company becoming member of another group),
- paragraph 61 (company ceasing to be member of group by reason of exempt distribution), and
- paragraph 62 (merger carried out for bona fide commercial reasons).

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