

ENERGY ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Chapter 2: Transfers Relating to Nuclear Undertakings

Section 47 and Schedule 9: Taxation

175. **Section 47** gives effect to Schedule 9, which establishes the tax provisions that will apply to transfers by way of a nuclear transfer scheme. These provisions supplement existing tax legislation. The Act provides flexibility for transfer schemes to take a variety of possible forms and Schedule 9 has been drawn up to cater for this flexibility. The main intention of Schedule 9 is to ensure that tax charges and reliefs on either party are not triggered as a result of a nuclear transfer scheme and that such schemes should, as far as possible, be tax neutral for both parties.
176. **Schedule 9** mainly deals with transfers made under nuclear transfer schemes to the NDA, an NDA company and from BNFL to publicly owned companies that are not subsidiaries of the NDA. However, there are other tax provisions dealing with transfers from UKAEA, the transfer of the Nuclear Liabilities Investment Portfolio, stamp duty and miscellaneous supplemental provisions. Further information can be found at the notes to Schedule 9.