



Corporation Tax Act 2010

2010 CHAPTER 4

PART 22

MISCELLANEOUS PROVISIONS

CHAPTER 9

OTHER MISCELLANEOUS PROVISIONS

Harbour reorganisation schemes

991 Harbour reorganisation schemes: corporation tax

- (1) This section and sections 992 and 993 apply if—
 - (a) the trade of any body corporate other than a limited liability company is transferred to a harbour authority,
 - (b) the transfer is made by or under a certified harbour reorganisation scheme, and
 - (c) the scheme provides for the dissolution of the transferor.
- (2) For the purposes of the provisions of the Corporation Tax Acts that apply—
 - (a) only if a person starts to carry on a trade, or
 - (b) only if a person ceases to carry on a trade,the transferor is not treated as ceasing to carry on the trade, and the transferee is not treated as starting to carry it on.
- (3) Subsection (4) applies if an amount (“the loss amount”) would have been available to the transferor for relief under section 45 (carry forward of trade loss against subsequent trade profits) had the transferor continued to carry on the transferred trade.
- (4) The transferee is entitled to relief under section 45 in respect of the loss amount as if the transferee had made a loss in carrying on—
 - (a) the transferred trade, or

Status: This is the original version (as it was originally enacted).

- (b) any trade of which the transferred trade comes to form part.
- (5) The loss amount is subject to any claim made by the transferor under section 37 (relief for trade losses against total profits).

992 Harbour reorganisation schemes: capital allowances etc

- (1) For the purposes of this section—
 - (a) “relevant allowance” means any allowance that would have fallen to be made to the transferor under CAA 2001 if the transferor had continued to carry on the trade, and
 - (b) “relevant charge” means any charge that would have fallen to be made on the transferor under CAA 2001 if the transferor had continued to carry on the trade.
- (2) All relevant allowances and charges are to be made in accordance with CAA 2001 to or on the transferee (and not the transferor).
- (3) The amount of a relevant allowance or charge is to be calculated as if—
 - (a) the transferee had been carrying on the trade since the transferor had begun to do so, and
 - (b) everything done to or by the transferor had been done to or by the transferee.
- (4) A sale or transfer which, on the transfer of the trade, is made by the transferor to the transferee of any assets in use for the purposes of the trade is not treated as giving rise to a relevant allowance or charge.

993 Harbour reorganisation schemes: chargeable gains

- (1) The transferee is entitled to corporation tax relief in respect of chargeable gains for an amount to which subsection (2) applies.
- (2) This subsection applies to an amount for which, if the transferor had continued to carry on the trade, it would have been entitled to claim relief in respect of allowable losses.

994 Transfer of part of trade

- (1) This section applies if part of a trade of any body corporate other than a limited liability company is transferred to a harbour authority by or under a certified harbour reorganisation scheme.
- (2) If the transferor continues to carry on the remainder of the trade, sections 991, 992 and 993 apply as if the transferred part had at all times been a separate trade.
- (3) If—
 - (a) the trade is transferred in parts to two or more harbour authorities, and
 - (b) the scheme provides for the dissolution of the transferor,sections 991, 992 and 993 apply as if each of the transferred parts had at all times been a separate trade.
- (4) If a part of a trade is treated by virtue of subsection (2) or (3) as having been a separate trade over any period—
 - (a) any necessary adjustments of accounting periods are to be made, and

- (b) just and reasonable apportionments of receipts, expenses, allowances or charges are to be made.
- (5) Section 952(2) and (3) (apportionment if part of trade treated as separate trade) apply to any apportionment under subsection (4).

995 Interpretation of sections 991 to 994

- (1) This section applies for the purposes of sections 991 to 994.
- (2) “Harbour authority” has the same meaning as in the Harbours Act 1964.
- (3) “Harbour reorganisation scheme” means any statutory provision providing for the management by a harbour authority of any harbour or group of harbours in the United Kingdom.

For this purpose “statutory provision” means any enactment, or any scheme, order or other instrument having effect under an enactment, and includes an enactment confirming a provisional order.

- (4) “Certified”, in relation to a harbour reorganisation scheme, means certified by—
 - a Minister of the Crown,
 - a government department, or
 - the Scottish Ministers,as providing for management as mentioned in subsection (3) with a view to securing, in the public interest, the efficient and economical development of the harbour or harbours in question.
- (5) “Limited liability company” means a company having a limit on the liability of its members.
- (6) “Transferor”, in relation to a trade, means the body from which the trade is transferred, whether or not the transfer is effected by that body.
- (7) “Transferee”, in relation to a trade, means the harbour authority to which the trade is transferred.