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SCHEDULES

SCHEDULE 1

MINOR AND CONSEQUENTIAL AMENDMENTS

PART 2

OTHER ENACTMENTS

Taxation of Chargeable Gains Act 1992

- 225 The Taxation of Chargeable Gains Act 1992 is amended as follows.
- 226 In section 8(1) (company's total profits to include chargeable gains) for “section 400 of the Taxes Act” substitute “ Chapter 7 of Part 4 of CTA 2010 ”.
- 227 In section 13(12) (attribution of gains to members of non-resident companies) for “section 417(1) of the Taxes Act for the purposes of Part XI of that Act (close companies)” substitute “ section 454 of CTA 2010 ”.
- 228 In section 37 (consideration chargeable to tax on income) after subsection (5) insert—
- “(5A) If—
- (a) because section 821(3) or (5) of CTA 2010 applies, the company charged to tax under Part 18 of that Act (transactions in land) is not the person (“C”) by whom the gain was realised, and
 - (b) the corporation tax has been paid,
- for the purposes of this section the amount charged to that tax is regarded as having been charged as the income of C.”
- 229 In section 39 (exclusion of expenditure by reference to tax on income) after subsection (4) insert—
- “(5) If—
- (a) because section 821(3) or (5) of CTA 2010 applies, the company charged to tax under Part 18 of that Act (transactions in land) is not the person (“B”) by whom the gain was realised, and
 - (b) the corporation tax has been paid,
- for the purposes of this section the amount charged to that tax is regarded as having been charged as the income of B.”
- 230 In section 96(10) (payments by and to companies)—
- (a) in paragraph (a)—
 - (i) for “section 416 of the Taxes Act” substitute “ sections 450 and 451 of CTA 2010 ”, and

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- (ii) for “section 416(6)” substitute “ section 451(4) to (6) of CTA 2010 ”, and
 - (b) in paragraph (b) for “section 417(1) of the Taxes Act” substitute “ section 454 of CTA 2010 ”.
- 231 In section 117(1) (meaning of qualifying corporate bond) for the words from “sub-paragraph (5)” to the end substitute “ section 162 of CTA 2010 if for paragraphs (a) to (c) of subsection (2) of that section there were substituted the words “corporate bonds (within the meaning of section 117 of TCGA 1992)” .
- 232 In section 125(6) (shares in close company transferring assets at an undervalue)—
- (a) in the definition of “associate” for “section 417 of the Taxes Act” substitute “ section 448 of CTA 2010 ”, and
 - (b) in the definition of “participator” for “section 417 of the Taxes Act” substitute “ section 454 of CTA 2010 ”.
- 233 In section 125A(1) (effect of share loss relief)—
- (a) omit “section 573 of the Taxes Act or”, and
 - (b) after “ITA 2007” insert “ or Chapter 5 of Part 4 of CTA 2010 ”.
- 234 In section 135(4) (exchange of securities for those in another company) for “section 832(1) of the Taxes Act” substitute “ section 1119 of CTA 2010 ”.
- 235 In section 140L(1)(c)(i) (interpretation) for “section 832 of the Taxes Act” substitute “ section 1119 of CTA 2010 ”.
- 236 In section 151BA (CITR: identification of securities of shares on a disposal) in subsection (10)(b)—
- (a) in sub-paragraph (i) for “Part 5 of Schedule 16 to the Finance Act 2002” substitute “ Part 7 of CTA 2010 ”,
 - (b) in sub-paragraph (ii)—
 - (i) for “so attributable” substitute “ attributable to securities, shares or debentures ”, and
 - (ii) for “paragraph 26 of that Schedule” substitute “ section 240 of that Act ”, and
 - (c) in sub-paragraph (iii) for “paragraph 49 of that Schedule” substitute “ section 267 of that Act ”.
- 237 In section 151BB (CITR: rights issues etc) in subsection (5)(b) for “paragraph 1(2) of Schedule 16 to the Finance Act 2002” substitute “ section 219(2) of CTA 2010 ”.
- 238 In section 151C(5) (strips) for “section 840ZA of the Taxes Act” substitute “ section 1139 of CTA 2010 ”.
- 239 In section 151D(5) (corporate strips) for “section 840ZA of the Taxes Act” substitute “ section 1139 of CTA 2010 ”.
- 240 In section 161 (appropriations to and from stock) after subsection (5) insert—
- “(6) If—
- (a) any person is charged to corporation tax under section 818 of CTA 2010 (charge to tax on gains from transactions in land) on the realisation of a gain because the condition in section 819(2)(d) of that Act is met, and
 - (b) the gain is calculated on the basis that any property was appropriated as trading stock,

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- the property shall be treated on that basis also for the purposes of this section.”
- 241 In section 165A(14) (meaning of “holding company” etc), in the definition of “51% subsidiary”, for “section 838 of the Taxes Act” substitute “ Chapter 3 of Part 24 of CTA 2010 ”.
- 242 (1) Amend section 170 (interpretation) as follows.
- (2) In subsection (2)(c) for “the definition of “75 per cent subsidiary” in section 838 of the Taxes Act” substitute “ section 1154(3) of CTA 2010 (meaning of “75% subsidiary)” >.
- (3) In subsection (6)(d) for “section 838(1)(a) of the Taxes Act” substitute “ section 1154(2) of CTA 2010 ”.
- (4) For subsection (8) substitute—
- “(8) Chapter 6 of Part 5 of CTA 2010 (group relief: equity holders and profits or assets available for distribution) applies for the purposes of subsections (6) and (7) as if—
- (a) references to section 151(4)(a) and (b) of that Act were references to subsections (6) and (7) above, and
- (b) sections 171(1)(b) and (3), 173, 174 and 176 to 178 of that Act were omitted.”
- 243 In section 171(2)(da) (transfers within a group: general provisions) for the words “to which Part 4 of the Finance Act 2006 applies” substitute “ which is, or is a member of, a UK REIT within the meaning of Part 12 of CTA 2010 ”.
- 244 (1) Amend section 179 (company ceasing to be a member of group: post-appointed day cases) as follows.
- (2) In subsection (4) for the words from “and sections 403A and 403B of the Taxes Act” to the end substitute “ and sections 138 to 142 of CTA 2010 have effect accordingly as if the actual circumstances were as they are treated as having been ”.
- (3) In subsection (9A)—
- (a) for “Section 416(2) to (6) of the Taxes Act” substitute “ Sections 450 and 451 of CTA 2010 ”,
- (b) for “it has” substitute “ they have ”, and
- (c) for “Part XI of that Act” substitute “ Part 10 of CTA 2010 ”.
- 245 In section 184H(5)(b) (meaning of excluded arrangements) for “section 779(1) or (2) of the Taxes Act” substitute “ section 835(1) or 836(1) of CTA 2010 ”.
- 246 In section 190(13) (tax recoverable from another group company or controlling director)—
- (a) for the definition of “director” substitute—
- ““director”, in relation to a company, has the meaning given by section 67(1) and (2) of ITEPA 2003 and includes any person falling within section 452(1) of CTA 2010;”, and
- (b) in the definition of “controlling director” for “section 416 of the Taxes Act” substitute “ sections 450 and 451 of CTA 2010 ”.
- 247 (1) Amend section 192 (tax exempt distributions) as follows.

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- (2) In subsection (2) for “an exempt distribution which falls within section 213(3)(a) of the Taxes Act” substitute “ a distribution which is exempt by virtue of section 1076 of CTA 2010 ”.
- (3) In subsection (5)—
- (a) in the definition of “chargeable payment” for “section 214(2) of the Taxes Act” substitute “ section 1088 of CTA 2010 ”, and
 - (b) in the definition of “exempt distribution” for “section 213(2) of that Act” substitute “ section 1076 or 1077 of CTA 2010 ”.
- 248 In section 198(5)(b) (replacement of business assets used in connection with oil fields) for the words from “either or both” to the end substitute “ activities falling within the definition of “oil-related activities” in section 16(2) of ITTOIA 2005 or section 274 of CTA 2010 ”.
- 249 In section 212(1)(c) (annual deemed disposal of holdings of unit trusts etc) for “to which Part 4 of the Finance Act 2006 applies” substitute “ which is, or is a member of, a UK REIT within the meaning of Part 12 of CTA 2010 ”.
- 250 After section 217C insert—

“Industrial and provident societies and co-operatives

217D Disposal of assets on union, amalgamation or transfer of engagements

- (1) Subsection (2) applies if—
- (a) there is a union or amalgamation of two or more relevant bodies or a transfer of engagements from one relevant body to another, and
 - (b) in the course of, or as part of, that union, amalgamation or transfer there is a disposal of an asset by one relevant body to another.
- (2) Both bodies are treated for the purposes of corporation tax on chargeable gains as if the asset were acquired from the body making the disposal for a consideration which is of the amount needed to secure that on the disposal neither a gain nor a loss accrues to the body making the disposal.
- (3) In this section “relevant body” means—
- (a) a society registered or treated as registered under the Industrial and Provident Societies Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969,
 - (b) an SCE formed in accordance with Council Regulation [\(EC\) No 1435/2003](#) on the Statute for a European Co-Operative Society, or
 - (c) a UK agricultural or fishing co-operative, as defined in section 1058 of CTA 2010.”
- 251 In section 221(2) (harbour authorities) for “within the meaning of section 518 of the Taxes Act” substitute “ as defined by section 995 of CTA 2010 ”.
- 252 In section 228 (conditions for relief: supplementary) for subsection (10) substitute—
- “(10) Chapter 6 of Part 5 of CTA 2010 (group relief: equity holders and profits or assets available for distribution) applies for the purposes of section 227(4) as if—

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- (a) the trustees were a company, and
 - (b) references to section 151(4)(a) and (b) of that Act were references to section 227(4) above.”
- 253 In section 239(7) (employee trusts) for “in section 417(1) of the Taxes Act” substitute “ by section 454 of CTA 2010 ”.
- 254 (1) Amend section 256 (charities) as follows.
 - (2) In subsection (1) omit “section 505(4) of the Taxes Act and”.
 - (3) After subsection (3) insert—
 - “(3A) Subsection (4) below also applies if a charitable company has a non-exempt amount under section 493 of CTA 2010 for an accounting period.”
 - (4) For subsection (4) substitute—
 - “(4) Gains accruing—
 - (a) to the charitable trust in the year of assessment, or
 - (b) to the charitable company in the accounting period,are treated as being, and always having been, chargeable gains so far as they are attributed to the non-exempt amount under section 256A (in the case of a charitable trust) or section 256C (in the case of a charitable company).”
 - (5) After subsection (6) insert—
 - “(7) For restrictions on exemptions under Part 11 of CTA 2010 (charitable companies etc) see section 492 of that Act.
 - (8) In this section “charitable company” has the same meaning as in Part 11 of CTA 2010 (see section 467 of that Act).”
- 255 In the title to section 256A (attributing gains to the non-exempt amount) after “amount” insert “ : charitable trusts ”.
- 256 In the title to section 256B (how gains are attributed to the non-exempt amount) after “amount” insert “ : charitable trusts ”.
- 257 After section 256B insert—

“256C Attributing gains to the non-exempt amount: charitable companies

- (1) This section applies if a charitable company has a non-exempt amount under section 493 of CTA 2010 for an accounting period.
- (2) Attributable gains of the charitable company for the period may be attributed to the non-exempt amount but only so far as the non-exempt amount has not been used up.
- (3) The non-exempt amount can be used up (in whole or in part) by—
 - (a) attributable gains being attributed to it under this section, or
 - (b) attributable income being attributed to it under section 494 of CTA 2010.
- (4) The whole of the non-exempt amount must be used up by—
 - (a) attributable gains being attributed to the whole of it under this section,

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- (b) attributable income being attributed to the whole of it under section 494 of CTA 2010, or
 - (c) a combination of attributable gains being attributed to some of it under this section and attributable income being attributed to the rest of it under section 494 of CTA 2010.
- (5) In this section and section 256D a charitable company's "attributable income" and "attributable gains" for an accounting period have the same meaning as in Part 11 of CTA 2010 (see section 493 of that Act).
- (6) In this section "charitable company" has the same meaning as in Part 11 of CTA 2010 (see section 467 of that Act).

256D How gains are attributed to the non-exempt amount: charitable companies

- (1) This section is about the ways in which attributable gains can be attributed to a non-exempt amount under section 256C.
- (2) The charitable company may specify the attributable gains that are to be attributed to the non-exempt amount.
- (3) A specification under subsection (2) is made by notice to an officer of Revenue and Customs.
- (4) Subsection (6) applies if—
 - (a) an officer of Revenue and Customs requires a charitable company to make a specification under this section, and
 - (b) the charitable company has not given notice under subsection (3) of the specification before the end of the required period.
- (5) The required period is 30 days beginning with the day on which the officer made the requirement.
- (6) An officer of Revenue and Customs may determine the attributable gains that are to be attributed to the non-exempt amount.
- (7) In this section "charitable company" has the same meaning as in Part 11 of CTA 2010 (see section 467 of that Act)."

- 258 (1) Amend section 257 (gifts to charities etc) as follows.
- (2) In subsection (1)(a) after "charity" insert " or a registered club ".
 - (3) In subsection (2A) for "section 587B of the Taxes Act" substitute " as a result of Chapter 3 of Part 6 of CTA 2010 ".
 - (4) In subsection (2B) for paragraphs (a) to (c) substitute—
 - "(a) is reduced by the relievable amount within the meaning of Chapter 3 of Part 8 of ITA 2007 if relief in relation to the disposal is available only under that Chapter,
 - (b) is reduced by the relievable amount within the meaning of Chapter 3 of Part 6 of CTA 2010 if relief in relation to the disposal is available only as a result of that Chapter,
 - (c) is reduced by the relievable amount within the meaning of Chapter 3 of Part 8 of ITA 2007 if relief in relation to the disposal is available

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both under that Chapter and as a result of Chapter 3 of Part 6 of CTA 2010 because of section 442 of ITA 2007 and section 214 of CTA 2010, or”.

- (5) In subsection (2C) omit the definitions of “relevant amount” and “relievable amount”.
- (6) In subsection (3)—
- (a) after “is a charity,” insert “ a registered club ”, and
 - (b) after “the charity”, in both places where it occurs, insert “ , registered club ”.
- (7) After subsection (4) insert—
- “(5) For the purposes of this section “registered club” has the same meaning as in Chapter 9 of Part 13 of CTA 2010.”
- 259 In section 263B(7) (stock lending arrangements), in the definition of “securities”, for the words from “means” to the end substitute “ means UK shares or overseas securities (within the meaning of Part 17 of CTA 2010: see section 814 of that Act) or UK securities within the meaning of section 805 of CTA 2010 (see section 806 of that Act) ”.
- 260 In section 263E(1)(a) (structured finance arrangements) before “(disregard” insert “ or section 759 or 760 of CTA 2010 ”.
- 261 (1) Amend section 271 (other miscellaneous exemptions) as follows.
- (2) In subsection (3) for “section 519A of the Taxes Act” substitute “ section 986 of CTA 2010 ”.
- (3) In subsection (6)(b) for the words from “Association” to the end substitute “ association (in the sense that word has in section 469(1)(a) of CTA 2010) which meets conditions A and B in that section (conditions for qualifying as a scientific research association). ”
- 262 In section 276(2)(d) (the territorial sea and the continental shelf) for “section 254(1) of the Taxes Act” substitute “ section 1117(1) of CTA 2010 ”.
- 263 In section 286(3A)(b) (connected persons: interpretation) for “section 840 of the Taxes Act” substitute “ section 1124 of CTA 2010 ”.
- 264 (1) Amend section 288 (interpretation) as follows.
- (2) In subsection (1)—
- (a) in the definition of “close company” for “has the meaning given by sections 414 and 415 of the Taxes Act” substitute “ shall be construed in accordance with Chapter 2 of Part 10 of CTA 2010 (see in particular section 439) ”,
 - (b) in the definition of “control” for “section 416 of the Taxes Act” substitute “ sections 450 and 451 of CTA 2010 ”,
 - (c) in the definition of “investment trust” for “section 842 of the Taxes Act” substitute “ section 1158 of CTA 2010 ”,
 - (d) for the definition of “permanent establishment” substitute—
- ““permanent establishment”, in relation to a company, is to be read in accordance with Chapter 2 of Part 24 of CTA 2010;”,

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- (e) in the definition of “personal representatives” for “Chapter 3 of Part 10 of CTA 2009 (see section 968 of that Act)” substitute “ the Corporation Tax Acts (see section 1119 of CTA 2010) ”,
- (f) in paragraph (b) of the definition of “UK property business” for the words from “enactments” to the end substitute “ Corporation Tax Acts (see section 1119 of CTA 2010) ”, and
- (g) at the appropriate place insert—

““CTA 2010” means the Corporation Tax Act 2010;”.

- (3) In subsection (3A)—
 - (a) in paragraph (a), after “217A,” insert “ 217D, ”, and
 - (b) omit paragraph (e).
- 265 In paragraph 7(3)(a) of Schedule 3 (assets held on 31 March 1982) for “section 254(1) of the Taxes Act” substitute “ section 1117(1) of CTA 2010 ”.
- 266 (1) Amend Schedule 5 (attribution of gains to settlors with interest in non-resident or dual resident settlement) as follows.
 - (2) In paragraph 2—
 - (a) in sub-paragraph (8)—
 - (i) for “section 416 of the Taxes Act” substitute “ sections 450 and 451 of CTA 2010 ”,
 - (ii) for “section 416(6)” substitute “ section 451(4) to (6) of CTA 2010 ”,
 - (b) in sub-paragraph (9)—
 - (i) for “section 416 of the Taxes Act” substitute “ section 449 of CTA 2010 ”,
 - (ii) for “section 416(6)” substitute “ section 451(4) to (6) of CTA 2010 ”, and
 - (c) in sub-paragraph (10) for “section 417(1) of the Taxes Act” substitute “ section 454 of CTA 2010 ”.
 - (3) In paragraph 2A—
 - (a) in sub-paragraph (8)—
 - (i) for “section 416 of the Taxes Act” substitute “ sections 450 and 451 of CTA 2010 ”,
 - (ii) for “section 416(6)” substitute “ section 451(4) to (6) of CTA 2010 ”,
 - (b) in sub-paragraph (9)—
 - (i) for “section 416 of the Taxes Act” substitute “ section 449 of CTA 2010 ”,
 - (ii) for “section 416(6)” substitute “ section 451(4) to (6) of CTA 2010 ”, and
 - (c) in sub-paragraph (10) in the definition of “participator” for “section 417(1) of the Taxes Act” substitute “ section 454 of CTA 2010 ”.
 - (4) In paragraph 8—
 - (a) in sub-paragraph (8)—
 - (i) for “section 416 of the Taxes Act” substitute “ sections 450 and 451 of CTA 2010 ”,
 - (ii) for “section 416(6)” substitute “ section 451(4) to (6) of CTA 2010 ”, and

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- (b) in sub-paragraph (9) for “section 417(1) of the Taxes Act” substitute “section 454 of CTA 2010”.
- (5) In paragraph 9—
- (a) in sub-paragraph (9)—
 - (i) for “section 416 of the Taxes Act” substitute “sections 450 and 451 of CTA 2010”,
 - (ii) for “section 416(6)” substitute “section 451(4) to (6) of CTA 2010”,
 - (b) in sub-paragraph (10)—
 - (i) for “section 416 of the Taxes Act” substitute “section 449 of CTA 2010”,
 - (ii) for “section 416(6)” substitute “section 451(4) to (6) of CTA 2010”, and
 - (c) in sub-paragraph (11) in the definition of “participator” for “section 417(1) of the Taxes Act” substitute “section 454 of CTA 2010”.
- 267 (1) Amend Schedule 5AA (meaning of “scheme of reconstruction”) as follows.
- (2) In paragraph 4(3) for “Section 840 of the Taxes Act” substitute “Section 1124 of CTA 2010”.
 - (3) In paragraph 8(1) for “section 832(1) of the Taxes Act” substitute “section 1119 of CTA 2010”.
- 268 In paragraph 19(1) of Schedule 5B (interpretation)—
- (a) in the definition of “51 per cent. subsidiary” for “section 838 of the Taxes Act” substitute “Chapter 3 of Part 24 of CTA 2010”, and
 - (b) in the definition of “associate” for “subsections (3) and (4) of section 417 of the Taxes Act if in those subsections” substitute “section 448 of CTA 2010 if in that section”.
- 269 (1) Amend Schedule 7AC (exemptions for disposals by companies with substantial shareholdings) as follows.
- (2) In paragraph 5(6) for “section 768 of the Taxes Act” substitute “section 673 of CTA 2010”.
 - (3) In paragraph 8 for sub-paragraphs (2) and (3) substitute—
 - “(2) Chapter 6 of Part 5 of CTA 2010 (group relief: equity holders and profits or assets available for distribution) applies for the purposes of sub-paragraph (1) as it applies for the purposes of the provisions mentioned in section 157(1) of that Act, but as if in that Part sections 171(1)(b) and (3), 173, 174 and 176 to 181 were omitted.”
 - (4) In paragraph 17(3) for “section 838 of the Taxes Act” substitute “Chapter 3 of Part 24 of CTA 2010”.
 - (5) In paragraph 26(4)—
 - (a) for “section 838 of the Taxes Act” substitute “Chapter 3 of Part 24 of CTA 2010”, and
 - (b) for “that section” substitute “that Chapter”.

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