



Corporation Tax Act 2010

2010 CHAPTER 4

PART 22

MISCELLANEOUS PROVISIONS

CHAPTER 2

TRANSFERS OF TRADE TO OBTAIN BALANCING ALLOWANCES

955 Transfer of activities on part cessation of trade

- (1) This section applies (subject to section 957(1)) if—
 - (a) a company (“the predecessor”) ceases to carry on part of a trade,
 - (b) another company (“the successor”) begins to carry on the activities of that part of the trade as its trade or as part of its trade,
 - (c) the successor is not a dual resident investing company, and
 - (d) the predecessor's ceasing to carry on the part of the trade mentioned in paragraph (a) is part of a scheme or arrangement the main purpose, or one of the main purposes, of which is to entitle the predecessor, on cessation of that part of the trade, to a balancing allowance in respect of the trade under Part 2 of CAA 2001.
- (2) CAA 2001 has effect subject to subsections (3) to (6).
- (3) The part of the trade which the predecessor ceased to carry on is to be treated as a separate trade (“the deemed separate trade”).
- (4) Any allowances or charges are to be made to or on the successor if such allowances or charges would have been made to or on the predecessor had the predecessor continued to carry on the deemed separate trade.
- (5) A transfer of assets from the predecessor to the successor does not of itself give rise to any allowances or charges if—

Changes to legislation: *Corporation Tax Act 2010, Section 955 is up to date with all changes known to be in force on or before 27 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (a) the transfer of the assets is made on the transfer of the deemed separate trade, and
 - (b) the assets are in use for the purposes of that trade.
- (6) For the purpose of determining the amount of the allowances or charges mentioned in subsection (4) to be made to the successor—
 - (a) the successor is to be treated as if it has been carrying on the deemed separate trade since the predecessor began to do so, and
 - (b) anything done to or by the predecessor is to be treated as having been done to or by the successor.
- (7) If the successor carries on the activities of the part of the trade mentioned in subsection (1)(a) as part of its trade, that part of the successor's trade is to be treated for the purposes of subsections (4) to (6) as a separate trade carried on by the successor.
- (8) In subsection (1)(c) “dual resident investing company” has the same meaning as in section 949 (with references in that section to the “transfer accounting period” construed as references to the accounting period of the successor in which it begins to carry on the activities of the part of the trade as mentioned in subsection (1)(b) above).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))