

SCHEDULES

SCHEDULE 24

TRANSFERS AND TRANSFER SCHEMES: TAX PROVISIONS

PART 2

CERTAIN TRANSFERS UNDER SCHEME UNDER SECTION 190 OR 191

Computation of profits and losses in respect of transfer of a trade

- 3 (1) This paragraph applies where a taxable public body (“the predecessor”) is carrying on a trade or part of a trade and, as a result of a transfer scheme under section 190 or 191—
- (a) the predecessor ceases to carry on that trade or part of a trade, and
 - (b) another taxable public body (“the successor”) begins to carry on that trade or part.
- (2) For the purposes of calculating, in relation to the time when the scheme comes into force and subsequent times, the relevant trading profits or losses of the predecessor and the successor—
- (a) the trade or part is to be treated as having been a separate trade at the time of its commencement and as having been carried on by the successor at all times since its commencement as a separate trade, and
 - (b) the trade carried on by the successor after the time when the scheme comes into force is to be treated as the same trade as that which the predecessor is treated, by virtue of paragraph (a), as having carried on as a separate trade before that time.
- (3) If a trade or part of a trade is to be treated under this paragraph as a separate trade, such apportionments of receipts, expenses, assets and liabilities are to be made for the purposes of computing relevant trading profits or losses as may be just and reasonable.
- (4) This paragraph is subject to the other provisions of this Part of this Schedule.
- (5) In this paragraph “relevant trading profits or losses” means profits or losses under Part 3 of CTA 2009 in respect of the trade or part of a trade in question.