

Status: Point in time view as at 22/11/2012.

Changes to legislation: Localism Act 2011, Cross Heading: Transfers of trading stock is up to date with all changes known to be in force on or before 15 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)

SCHEDULES

SCHEDULE 24

TRANSFERS AND TRANSFER SCHEMES: TAX PROVISIONS

PART 2

CERTAIN TRANSFERS UNDER SCHEME UNDER SECTION 190 OR 191

Transfers of trading stock

- 4 (1) This paragraph applies if—
- (a) under a relevant transfer, trading stock of the transferor is transferred to the transferee,
 - (b) immediately after the transfer takes effect, the stock is to be treated as trading stock of the transferee, and
 - (c) paragraph 3 does not apply in relation to the transfer.
- (2) Sub-paragraphs (3) and (4) have effect in calculating for any corporation tax purpose both—
- (a) the profits of the trade in relation to which the stock is trading stock immediately before the transfer takes effect (“the transferor's trade”), and
 - (b) the profits of the trade in relation to which it is to be treated as trading stock (“the transferee's trade”).
- (3) The stock is to be treated as having been—
- (a) disposed of by the transferor in the course of the transferor's trade,
 - (b) acquired by the transferee in the course of the transferee's trade, and
 - (c) subject to that, disposed of and acquired when the transfer takes effect.
- (4) The stock is to be valued as if the disposal and acquisition had been for a consideration which in relation to the transferor would have resulted in neither a profit nor a loss being brought into account in respect of the disposal in the accounting period of the transferor which ends with, or is current at, the time when the transfer takes effect.
- (5) In this paragraph “trading stock” has the meaning given by section 163 of CTA 2009.

Commencement Information

- I1** Sch. 24 in force for specified purposes at Royal Assent see s. 240(5)(o)
- I2** Sch. 24 para. 4 in force at 30.3.2012 for E.W. by [S.I. 2012/628](#), [art. 3\(b\)](#)

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