



Finance (No. 2) Act 2015

2015 CHAPTER 33

PART 4

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Corporation tax

33 Intangible fixed assets: goodwill etc

- (1) Part 8 of CTA 2009 (intangible fixed assets) is amended as follows.
- (2) In section 715 (application of Part 8 to goodwill), in subsection (2), at the end insert “(see, in particular, section 816A (restrictions on goodwill and certain other assets))”.
- (3) In section 746 (“non-trading credits” and “non-trading debits”), in subsection (2), for paragraph (ba) substitute—
 - “(ba) section 816A (restrictions on goodwill and certain other assets), and”.
- (4) In section 800 (introduction to Chapter 10: excluded assets), in subsection (2)(c)—
 - (a) for “section 814 or 815” substitute “any of sections 814 to 816A”, and
 - (b) for “that section” substitute “the section concerned”.
- (5) After section 816 insert—

“816A Restrictions on goodwill and certain other assets

- (1) This section applies if a company acquires or creates a relevant asset.
- (2) “Relevant asset” means—
 - (a) goodwill,
 - (b) an intangible fixed asset that consists of information which relates to customers or potential customers of a business,

Status: This is the original version (as it was originally enacted).

- (c) an intangible fixed asset that consists of a relationship (whether contractual or not) between a person carrying on a business and one or more customers of that business,
 - (d) an unregistered trade mark or other sign used in the course of a business, or
 - (e) a licence or other right in respect of an asset within any of paragraphs (a) to (d).
- (3) No debits are to be brought into account by the company for tax purposes, in respect of the relevant asset, under Chapter 3 (debts in respect of intangible fixed assets).
- (4) Any debit brought into account by the company for tax purposes, in respect of the relevant asset, under Chapter 4 (realisation of intangible fixed assets) is treated for the purposes of Chapter 6 as a non-trading debit.”
- (6) In section 844 (overview of Chapter 13: transactions between related parties), omit subsection (2A).
- (7) Omit sections 849B to 849D (restrictions relating to goodwill etc acquired from a related individual or firm) and the italic heading immediately before those sections.
- (8) In consequence of the amendments made by this section, in FA 2015, omit section 26.
- (9) The amendments made by this section have effect in relation to accounting periods beginning on or after 8 July 2015.
- (10) But the amendments made by this section do not apply in a case in which a company acquires a relevant asset if the company does so—
 - (a) before 8 July 2015, or
 - (b) in pursuance of an obligation, under a contract, that was unconditional before that date.
- (11) For the purposes of subsection (9), an accounting period beginning before, and ending on or after, 8 July 2015 is to be treated as if so much of the accounting period as falls before that date, and so much of the accounting period as falls on or after that date, were separate accounting periods.
- (12) An apportionment for the purposes of subsection (11) must be made in accordance with section 1172 of CTA 2010 (time basis) or, if that method produces a result that is unjust or unreasonable, on a just and reasonable basis.
- (13) For the purposes of subsection (10)(b), an obligation is “unconditional” if it may not be varied or extinguished by the exercise of a right (whether under the contract or otherwise).