

## SCHEDULE 1 U.K.

### CROSS-BORDER TRANSFERS OF BUSINESS

#### Modifications etc. (not altering text)

- C1 Sch. 1 modified (retrospective to 29.11.2007) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2008 \(S.I. 2008/1579\)](#), regs. 1(2), 4

## PART 1 U.K.

### AMENDMENTS OF TGCA 1992

#### Division of non-UK business U.K.

- 4.—(1) Section 140C (transfer of non-UK trade)<sup>M1</sup> is amended as follows.
- (2) In subsection (1)—
- (a) for “company A” substitute “ the transferor ”,
  - (b) for “company B” substitute “ the transferee ”,
  - (c) for “qualifying company” substitute “ company ”, and
  - (d) for “trade” substitute “ business ”.
- (3) After subsection (1) insert—
- “(1A) This section also applies where a company resident in the United Kingdom transfers part of its business to one or more companies if—
- (a) the part of the transferor's business which is to be transferred is carried on, immediately before the time of the transfer, by the transferor in a member State other than the United Kingdom through a permanent establishment,
  - (b) at least one transferee is resident in a member State other than the United Kingdom,
  - (c) the transferor company continues to carry on a business after the transfer,
  - (d) the conditions in subsection (1)(b), (d), (e) and (f) are satisfied, and
  - (e) either of the following conditions is satisfied.
- (1B) Condition 1 is that the transfer is made in exchange for the issue of shares in or debentures of each transferee company to the persons holding shares in or debentures of the transferor.
- (1C) Condition 2 is that the transfer is not made in exchange for the issue of shares in or debentures of each transferee by reason only, and to the extent only, that a transferee is prevented from complying with Condition 1 by section 658 of the Companies Act 2006 (rule against limited company acquiring own shares) or by a corresponding provision of the law of another member State preventing the issue of shares or debentures to itself.”
- (4) In subsections (3) and (8) for “company A” substitute “ the transferor ”.
- (5) Omit subsections (6), (7) and (9).
- (6) The heading accordingly becomes “ Transfer or division of non-UK business ”.

**Changes to legislation:** There are currently no known outstanding effects for the The Corporation Tax  
(Implementation of the Mergers Directive) Regulations 2007, Paragraph 4. (See end of Document for details)

---

**Marginal Citations**

**M1** [Sections 140C](#) and 140D were inserted by section 45 of the Finance (No. 2) Act 1992.

**Changes to legislation:**

There are currently no known outstanding effects for the The Corporation Tax (Implementation of the Mergers Directive) Regulations 2007, Paragraph 4.