
STATUTORY INSTRUMENTS

2012 No. 701

**CORPORATION TAX
INCOME TAX
STAMP DUTY LAND TAX**

The London Legacy Development Corporation
(Tax Consequences) Regulations 2012

<i>Made</i>	- - - -	<i>6th March 2012</i>
<i>Laid before the House of Commons</i>	- - - -	<i>7th March 2012</i>
<i>Coming into force</i>	- -	<i>31st March 2012</i>

The Treasury, in exercise of the powers conferred by Part 3 of Schedule 24 to the Localism Act 2011⁽¹⁾, make the following Regulations.

Citation and commencement

1. These Regulations may be cited as the London Legacy Development Corporation (Tax Consequences) Regulations 2012 and come into force on 31st March 2012.

Interpretation

2. In these Regulations—

“CTA 2009” means the Corporation Tax Act 2009⁽²⁾;

“CTA 2010” means the Corporation Tax Act 2010⁽³⁾;

“LLDC” means the London Legacy Development Corporation;

“LTGDC” means the London Thames Gateway Development Corporation;

“LTGDC relevant transfer” means a transfer of LTGDC’s trading stock from LTGDC to LLDC in relation to, in connection with, or by or under, the London Legacy Development Corporation and the London Thames Gateway Development Corporation (No. 1) Transfer Scheme 2012;

(1) 2011 c. 20.
(2) 2009 c. 4.
(3) 2010 c. 4.

“OPLC” means the Olympic Park Legacy Company Limited, company registered number 06900359;

“OPLC relevant transfer” means a transfer of property, rights and liabilities from OPLC to LLDC, in relation to, in connection with, or by or under, the London Legacy Development Corporation and the Olympic Park Legacy Company Transfer Scheme 2012;

“trading stock” has the same meaning as in section 163 of CTA 2009.

Transfers from OPLC to LLDC

- 3.—(1) This regulation applies to an OPLC relevant transfer.
- (2) For the purposes of any enactment about income tax or corporation tax—
- (a) OPLC and LLDC are to be treated as the same person, and
 - (b) a relevant transfer is to be disregarded for those purposes.
- (3) A relevant transfer is not to be regarded for the purposes of Part 8 of CTA 2009 (intangible fixed assets) as involving any realisation of an asset by OPLC or acquisition of an asset by LLDC.
- (4) A relevant transfer is not to be regarded for the purposes of Part 14 of CTA 2010 (change in company ownership) as resulting in a change of ownership of a company.
- (5) A relevant transfer does not give rise to any liability to stamp duty land tax.

Transfers from LTGDC to LLDC

- 4.—(1) This regulation applies to a LTGDC relevant transfer.
- (2) Paragraphs (3) and (4) have effect in computing for any corporation tax purpose both—
- (a) the profits of LTGDC’s trade in relation to which the stock transferred is trading stock immediately before the relevant transfer takes effect, and
 - (b) the consideration given by LLDC, or the expenditure incurred by it, for the acquisition of the stock.
- (3) The stock must be taken to have been—
- (a) disposed of by LTGDC in the course of its trade, and
 - (b) disposed of and acquired when the relevant transfer takes effect.
- (4) The stock must be valued as if the disposal and acquisition were for a consideration which in relation to LTGDC would have resulted in neither a profit nor a loss being brought into account in respect of the disposal in the accounting period of LTGDC which ends with, or is current at, the time when the relevant transfer takes effect.

6th March 2012

James Duddridge
Jeremy Wright
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations deal with tax consequences of transfers of property, rights and liabilities from the Olympic Park Legacy Company Limited (“OPLC”) to the London Legacy Development Corporation (“LLDC”) made under the London Legacy Development Corporation and the Olympic Park Legacy Company Transfer Scheme 2012 (“the OPLC Scheme”). They also deal with tax consequences of transfers of trading stock from the London Thames Gateway Development Corporation (“LTGDC”) to LLDC under the London Legacy Development Corporation and the London Thames Gateway Development Corporation (No. 1) Transfer Scheme 2012 (“the LTGDC Scheme”).

Regulation 1 provides for citation and commencement.

Regulation 2 provides for interpretation.

Regulation 3 covers transfers from OPLC to LLDC under the OPLC Scheme. Paragraph (2) treats OPLC and LLDC as the same person for income tax and corporation tax purposes and allows generally for the transfers to be disregarded for such purposes. Paragraph (3) provides, for the specific purpose of Part 8 of the Corporation Tax Act 2009 (c. 4), that the transfers do not involve the realisation of an asset by OPLC or the acquisition of an asset by LLDC. Paragraph (4) provides that no change in ownership of a company results following a transfer for the purposes of Part 14 of the Corporation Tax Act 2010 (c. 4). Paragraph (5) provides that no liability to stamp duty land tax arises from the transfers.

Regulation 4 covers transfers from LTGDC to LLDC under the LTGDC Scheme. It does this by treating the disposal of LTGDC’s trading stock as having taken place in the course of its trade, and treating that disposal and the acquisition of LTGDC’s trading stock by LLDC as being at the time of the transfers and at a value which results in neither a profit nor a loss being brought into account.

A Tax Information and Impact Note covering these Regulations will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.