

**EXPLANATORY MEMORANDUM TO**  
**THE HOUSING AND REGENERATION TRANSFER SCHEMES (TAX**  
**CONSEQUENCES) REGULATIONS 2015**

**2015 No. 1540**

**1.** This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs (HMRC) and is laid before the House of Commons by Command of Her Majesty.

**2. Purpose of the instrument**

2.1 This instrument deals with corporation tax consequences that could otherwise arise on the transfer of property, rights and liabilities from a public body to the Homes and Communities Agency (HCA), or a company or body through which the Greater London Authority (GLA) exercises functions in relation to housing or regeneration, as a result of a transfer scheme made by the Secretary of State for Communities and Local Government under section 53A of the Housing and Regeneration Act 2008 or section 333DA of the GLA Act 1999.

**3. Matters of special interest to the Select Committee on Statutory Instruments**

3.1 None.

**4. Legislative Context**

4.1 These regulations are being made under powers conferred by section 53B of the Housing and Regeneration Act 2008 and section 333DC of the GLA Act 1999 to vary the way in which a relevant tax has effect in relation to a transfer scheme made under section 53A of the Housing and Regeneration Act 2008 or section 333DA of the GLA Act 1999. The provisions in the regulations apply in the case of any transfer of property, rights or liabilities from a public body to the HCA, or a company or body through which the GLA exercises functions in relation to housing or regeneration, where both are taxable public bodies, and operate so as to prevent certain tax consequences resulting from the transfer and to provide continuity for certain corporation tax purposes.

**5. Territorial Extent and Application**

5.1 This instrument applies to all of the United Kingdom.

**6. European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

- What is being done and why

7.1 Without further provision the statutory transfer of property, rights and liabilities from a public body could trigger tax charges or reliefs that would arise solely because of the transfer. The regulations therefore make provision to prevent certain tax consequences resulting from the statutory transfer and to provide continuity for certain corporation tax purposes. This measure is consistent with the normal tax policy of ensuring that transfers of assets and liabilities between public sector bodies do not create corporation tax advantages or disadvantages for the bodies concerned.

- Consolidation

7.2 Not applicable.

## **8. Consultation outcome**

8.1 Not applicable.

## **9. Guidance**

9.1 Not applicable.

## **10. Impact**

10.1 The impact on business, charities or voluntary bodies is negligible.

10.2 The impact on the public sector is negligible.

10.3 A Tax Information and Impact Note covering the regulations will be published on the HMRC website at [http://www.hmrc.gov.uk/the\\_library/tiins.htm](http://www.hmrc.gov.uk/the_library/tiins.htm).

## **11. Regulating small business**

11.1 The legislation does not apply to small business.

## **12. Monitoring & review**

12.1 HMRC has no plans to monitor the provisions of the regulations since they merely deal with certain tax consequences of the transfer.

## **13. Contact**

James Ewington at HMRC Tel: 03000 553788 or email: [james.ewington@hmrc.gsi.gov.uk](mailto:james.ewington@hmrc.gsi.gov.uk) can answer any queries regarding the instrument.