



Corporation Tax Act 2010

2010 CHAPTER 4

PART 22

MISCELLANEOUS PROVISIONS

CHAPTER 1

TRANSFERS OF TRADE WITHOUT A CHANGE OF OWNERSHIP

Effect of Chapter in relation to transfers to which it applies

945 Cases in which predecessor retains more liabilities than assets

- (1) This section applies if L exceeds A.
- (2) “L” is the amount of the predecessor's liabilities so far as they—
 - (a) are outstanding immediately before the transfer of the transferred trade, and
 - (b) are not transferred to the successor on the transfer of the trade.
- (3) “A” is the sum of the values of—
 - (a) the predecessor's assets immediately before the transfer of the transferred trade so far as they are not transferred to the successor on that transfer, and
 - (b) the consideration given to the predecessor by the successor in relation to the transfer of the transferred trade.
- (4) The relief to be given to the successor as a result of [F1sections 944 to 944E] is limited to—

R – E

where—

R is the total amount of loss for which relief could be given to the successor as a result of [F1sections 944 to 944E], ignoring this section, and

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 945. (See end of Document for details)

E is the amount by which L exceeds A.

(5) If R does not exceed E, no relief is to be given to the successor.

Textual Amendments

F1 Words in s. 945(4) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 4 para. 66**

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 945.