

## SCHEDULES

### SCHEDULE 12

#### BROADCASTING: TRANSFER OF UNDERTAKINGS OF INDEPENDENT BROADCASTING AUTHORITY AND CABLE AUTHORITY

##### *Transfer of IBA's transmission activities to nominated company: corporation tax*

- 1 (1) Subject to sub-paragraph (2), the following provisions shall apply for the purposes of the Corporation Tax Acts, namely—
- (a) the part of the trade carried on by the IBA which is transferred to the nominated company under the Broadcasting Act 1990 (“the principal Act”) shall be treated as having been, at the time when it began to be carried on by the IBA and at all times since that time, a separate trade carried on by that company;
  - (b) the trade carried on by that company after the transfer date shall be treated as the same trade as that which, by virtue of paragraph (a) above, it is treated as having carried on before that date;
  - (c) all property, rights and liabilities of the IBA which are transferred under the principal Act to that company shall be treated as having been, at the time when they became vested in the IBA and at all times since that time, property, rights and liabilities of that company; and
  - (d) anything done by the IBA in relation to any such property, rights and liabilities as are mentioned in paragraph (c) above shall be deemed to have been done by that company.
- (2) There shall be apportioned between the IBA and the nominated company—
- (a) the unallowed tax losses of the IBA, and
  - (b) any expenditure which they have incurred before the transfer date and by reference to which capital allowances may be made,
- in such manner as is just and reasonable having regard—
- (i) to the extent to which such losses and expenditure are attributable to the part of the trade carried on by them which is transferred to that company under the principal Act, and
  - (ii) as respects the apportionment of such expenditure, to the division of their assets between the relevant transferees which is effected under that Act.
- (3) In this paragraph—
- “the IBA’s final accounting period” means the last complete accounting period of the IBA ending before the transfer date;
- “unallowed tax losses” means losses, allowances or amounts which, as at the end of the IBA’s final accounting period, are tax losses within the meaning given by section 400(2) of the Taxes Act 1988, excluding losses which are allowable capital losses within the meaning of paragraph 6 below.

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

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- (4) This paragraph shall have effect in relation to accounting periods beginning after the IBA's final accounting period.