
Changes to legislation: There are currently no known outstanding effects for the Coal Industry Act 1994, Cross Heading: Transfers of trading stock. (See end of Document for details)

SCHEDULES

SCHEDULE 4

TAXATION PROVISIONS

PART I

CORPORATION TAX

Transfers of trading stock

- 11 (1) For the purposes of the Corporation Tax Acts if, in the case of any relevant transfer, any trading stock of the predecessor—
- (a) is vested in the transferee by virtue of the transfer, and
 - (b) falls, immediately after the time when the transfer comes into force, to be treated as trading stock of the transferee,
- then, for the purpose of computing the profits and gains both of the trade in relation to which it is trading stock immediately before that time and of the trade in relation to which it is trading stock after that time, sub-paragraph (2) below shall apply to the stock.
- (2) Where this sub-paragraph applies to any stock, that stock—
- (a) shall be deemed—
 - (i) to have been disposed of by the predecessor in the course of the trade that is carried on by the predecessor;
 - (ii) to have been acquired by the transferee in the course of the trade that is carried on by the transferee; and
 - (iii) subject to that, to have been disposed of and acquired at the time when the transfer comes into force;
 - and
 - (b) shall be valued for the purposes of each of the trades mentioned in sub-paragraph (1) above as if the disposal and acquisition had been for a consideration which in relation to the predecessor would have resulted in neither a profit nor a loss being brought into account in respect of the disposal in the accounting period of the predecessor which ends with, or is current at, that time.
- (3) In this paragraph “trading stock” has the same meaning as in section 100 of the 1988 Act.

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