

## SCHEDULES

### SCHEDULE 29

#### GAINS AND LOSSES OF A COMPANY FROM INTANGIBLE FIXED ASSETS

##### PART 9

###### APPLICATION OF PROVISIONS TO GROUPS OF COMPANIES

*Roll-over relief on reinvestment: acquisition of group company treated as equivalent to acquisition of underlying assets*

- 57 (1) Where a company (“company A”) acquires a controlling interest in another company (“company B”) and intangible fixed assets (“underlying assets”) are held—
- by company B, or
  - by one or more other companies that were not in the same group as company A before its acquisition of a controlling interest in company B but as a result of that acquisition are in the same group as company A immediately after the acquisition,

Part 7 (roll-over relief in case of realisation and reinvestment) has effect in accordance with the following provisions.

- The expenditure by company A on the acquisition of a controlling interest in company B is treated as expenditure on acquiring the underlying assets.
- The amount of expenditure that is treated as incurred by company A on acquiring the underlying assets is taken to be—
  - the tax written down value of the underlying assets immediately before the acquisition, or
  - if less, the amount or value of the consideration for the acquisition by company A of the controlling interest in company B.
- The requirement that the assets be chargeable intangible assets in relation to company A immediately after the expenditure is incurred on acquiring them is treated as met in relation to the underlying assets if they are chargeable intangible assets in relation to the company by which they are held immediately after the acquisition by company A of a controlling interest in company B.
- The tax written down value of the underlying assets in the hands of the company by which they are held shall be reduced by the amount available for relief, and if—
  - there is more than one underlying asset, and
  - the amount of expenditure on other assets that is treated as incurred exceeds the amount available for relief,

the company by which the underlying assets are held may decide how the amount available for relief is to be allocated in reducing the tax written down values of the assets.

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*Status: This is the original version (as it was originally enacted).*

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If there is more than one such company, they may agree between them how that amount is to be allocated.

- (6) A claim for relief under Part 7 made by virtue of this paragraph must be made jointly by company A and the company or companies holding the underlying assets concerned.
- (7) For the purposes of this paragraph company A acquires a controlling interest in company B if the two companies are not in the same group and there is an acquisition by company A of shares in company B such that those two companies are in the same group immediately after the acquisition.
- (8) Expressions used in this paragraph that are defined for the purposes of Part 7 have the same meaning in this paragraph.