

SCHEDULES

SCHEDULE 29

GAINS AND LOSSES OF A COMPANY FROM INTANGIBLE FIXED ASSETS

PART 9

APPLICATION OF PROVISIONS TO GROUPS OF COMPANIES

Payments between group members in respect of reliefs

- 71 (1) This paragraph applies to payments—
- (a) for group roll-over relief, or
 - (b) for the reallocation of a degrouping charge.
- (2) A payment for group roll-over relief means a payment made—
- (a) in connection with a claim for relief under Part 7 (roll-over relief in case of realisation and reinvestment) made by virtue of—
 - (i) paragraph 56 (realisation by one group company and reinvestment by another), or
 - (ii) paragraph 57 (acquisition of group company treated as equivalent to acquisition of underlying assets),
 - (b) by the company whose proceeds of realisation are reduced as a result of the claim,
 - (c) to a company whose acquisition costs are reduced (in a case within paragraph 56) or the tax written-down value of whose assets is reduced (in a case within paragraph 57) as a result of the claim,
 - (d) in pursuance of an agreement between those companies in connection with the claim.
- (3) A payment for the reallocation of a degrouping charge means a payment made—
- (a) in connection with an election under paragraph 66 (reallocation of degrouping charge within group),
 - (b) by the company to which the chargeable realisation gain accrues to the company to which as a result of the election the whole or part of that gain is treated as accruing,
 - (c) in pursuance of an agreement between those companies in connection with the election.
- (4) A payment to which this paragraph applies—
- (a) shall not be taken into account in computing profits or losses of either company for corporation tax purposes, and
 - (b) shall not for any of the purposes of the Corporation Tax Acts be regarded as a distribution or a charge on income,

Status: This is the original version (as it was originally enacted).

provided it does not exceed the amount of the relief.

- (5) For this purpose the amount of the relief is—
- (a) in the case of a payment in connection with a claim for relief under paragraph 56, the amount of the reduction as a result of the claim in the acquisition costs of the company to which the payment is made;
 - (b) in the case of a payment in connection with a claim for relief under paragraph 57, the amount of the reduction as a result of the claim in the tax-written down value of the assets of the company to which the payment is made;
 - (c) in the case of a payment in connection with an election under paragraph 66, the amount treated as a result of the election as accruing to the company to which the payment is made.