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**Changes to legislation:** There are currently no known outstanding effects for the Railways Act 2005, Cross Heading: Chargeable gains: degrouping charges. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 10

#### TAXATION PROVISIONS RELATING TO TRANSFER SCHEMES

#### PART 3

#### TRANSFERS UNDER SECTION 12 SCHEMES

##### *Chargeable gains: degrouping charges*

- 26 (1) This paragraph applies if a company (“the degrouped company”)—
- (a) acquired an asset from another company at a time when both were members of the same group of companies (“the old group”); and
  - (b) ceases by virtue of a relevant transfer to be a member of the old group.
- (2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.
- (3) Where sub-paragraph (2) has applied to an asset, section 179 of the 1992 Act is to have effect on and after the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies (“the new group”) otherwise than by virtue of a relevant transfer as if—
- (a) the degrouped company, and
  - (b) the company from which it acquired the asset,
- had been members of the new group at the time of acquisition.
- (4) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a relevant transfer, it is to be regarded for those purposes as so doing by virtue of the relevant transfer and not by virtue of any preparatory transactions.
- (5) In this paragraph, “preparatory transactions” means anything done under or by virtue of the 1993 Act or this Act for the purpose of initiating, advancing or facilitating the relevant transfer in question.
- (6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

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#### Commencement Information

**II** Sch. 10 para. 26 in force at 24.7.2005 by S.I. 2005/1909, art. 2, Sch.

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Chargeable gains: degrouping charges.