

SCHEDULES

SCHEDULE 13

TRANSFER SCHEMES: TAX PROVISIONS

PART 4

TRANSFERS FROM EXEMPT PUBLIC BODIES TO TAXABLE PUBLIC BODIES

Meaning of “relevant transfer” in Part 4 of Schedule

- 26 In this Part of this Schedule “relevant transfer” means a transfer, in accordance with a transfer scheme, from an exempt public body to a taxable public body.

Capital allowances: transfer of plant or machinery

- 27 (1) This paragraph applies where—
- (a) there is a relevant transfer of plant or machinery,
 - (b) the plant or machinery would have been treated for the purposes of CAA 2001 (had the transferor incurred expenditure qualifying for allowances under Part 2 of that Act on the provision of the plant or machinery) as disposed of by the transferor to the transferee on the transfer taking effect, and
 - (c) the transfer scheme in accordance with which the transfer is made contains provision for the transferee to be treated for the purposes of that Act as having incurred capital expenditure of an amount specified in or determined in accordance with the scheme on the provision of the plant or machinery.
- (2) For the purposes of CAA 2001—
- (a) the transferee is to be treated as having incurred capital expenditure of that amount on the provision of the plant or machinery for the purposes for which it is used by the transferee on and after the taking effect of the transfer,
 - (b) the property is to be treated as belonging to the transferee as a result of the transferee having incurred that expenditure, and
 - (c) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be treated for the purposes of sections 181(1) and 182(1) of that Act as being incurred by the giving of a consideration consisting in a capital sum of that amount.
- (3) The provision mentioned in sub-paragraph (1)(c) for the determination of an amount may include provision for a determination—
- (a) to be made by the Secretary of State in a manner described in the scheme,
 - (b) to be made by reference to factors so described or to the opinion of a person so described, and

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- (c) to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.
- (4) The consent of the Treasury is required for the making or modification of a determination under the provision mentioned in sub-paragraph (1)(c).
- (5) The consent of the transferee is required for the modification of a determination under the provision mentioned in sub-paragraph (1)(c).
- (6) As to the making of a determination or a modification of a determination under the provision mentioned in sub-paragraph (1)(c), see further paragraph 43.
- (7) Expressions used in this paragraph and in Part 2 of CAA 2001 have the same meanings in this paragraph as in that Part.

Capital allowances: determination of capital value of industrial buildings etc.

- 28 (1) This paragraph applies where there is a relevant transfer of the relevant interest in an industrial building or structure and the transfer scheme in accordance with which the transfer is made contains provision specifying for the purposes of section 311 of CAA 2001—
- (a) the amount to be taken as the amount of the residue of qualifying expenditure immediately after the event, and
 - (b) the period to be taken as the period from the date of the event to the end of the period of 25 years beginning with the day on which the building or structure was first used.
- (2) For the purposes of that section—
- (a) the transfer is to be treated as the occurrence of a relevant event,
 - (b) the residue of qualifying expenditure immediately after the event is to be taken to be the amount specified by virtue of sub-paragraph (1)(a), and
 - (c) the period from the date of the event to the end of the period of 25 years beginning with the day on which the building or structure was first used is to be taken to be the period specified by virtue of sub-paragraph (1)(b).
- (3) Expressions used in this paragraph and in Part 3 of CAA 2001 have the same meanings in this paragraph as in that Part.