



Corporation Tax Act 2009

2009 CHAPTER 4

PART 3

TRADING INCOME

CHAPTER 7

TRADE PROFITS: GIFTS TO CHARITIES ETC

Relief for certain gifts

105 Gifts of trading stock to charities etc

- (1) This section applies if a company carrying on a trade (“the donor”) gives an article for the purposes of—
 - (a) a charity, a registered club or a body listed in subsection (4), or
 - (b) a designated educational establishment (see section 106),and the article is one manufactured, or of a class or description sold, by the donor in the course of the trade.
- (2) In calculating the profits of the trade, no amount is required to be brought into account as a receipt in consequence of the disposal of the article.
- (3) In this section “registered club” has the meaning given by [F1section 658(6) of CTA 2010] (relief for community amateur sports clubs).
- (4) The bodies referred to in subsection (1)(a) are—
 - (a) the Trustees of the National Heritage Memorial Fund,
 - (b) the Historic Buildings and Monuments Commission for England, and
 - (c) the National Endowment for Science, Technology and the Arts.
- (5) This section needs to be read with section 108 (receipt of benefits by donor or connected person).

Status: Point in time view as at 01/04/2010.

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[^{F2}(6) This section is subject to section 203 of CTA 2010 (certain disposals of investments to charity).]

Textual Amendments

- F1** Words in s. 105(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 597\(2\)](#) (with [Sch. 2](#))
- F2** S. 105(6) inserted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 597\(3\)](#) (with [Sch. 2](#))

106 Meaning of “designated educational establishment”

- (1) For the purposes of section 105 “designated educational establishment” means an educational establishment designated, or within a category designated, in regulations made—
 - (a) for England and Scotland, by the Secretary of State,
 - (b) for Wales, by the Welsh Ministers, and
 - (c) for Northern Ireland, by the Department of Education.
- (2) The regulations may make different provision for different areas.
- (3) If any question arises as to whether an educational establishment is within a category designated in the regulations, an officer of Revenue and Customs must refer the question for decision—
 - (a) in the case of an establishment in England or Scotland, to the Secretary of State,
 - (b) in the case of an establishment in Wales, to the Welsh Ministers, and
 - (c) in the case of an establishment in Northern Ireland, to the Department of Education.
- (4) The power of the Secretary of State or the Welsh Ministers to make regulations under this section is exercisable by statutory instrument.
- (5) A statutory instrument containing any regulations made by the Secretary of State under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (6) A statutory instrument containing any regulations made by the Welsh Ministers under this section is subject to annulment in pursuance of a resolution of the National Assembly for Wales.
- (7) Regulations made under this section by the Department of Education—
 - (a) are a statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)), and
 - (b) are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 (c. 33 (N.I.)).

107 Gifts of medical supplies and equipment

- (1) This section applies if—

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- (a) a company carrying on a trade makes a gift from trading stock of medical supplies or medical equipment,
 - (b) it makes the gift for humanitarian purposes, and
 - (c) the supplies or equipment are for human use.
- (2) In calculating the profits of the trade, no amount is required to be brought into account as a receipt in consequence of the gift.
- (3) In calculating the profits of the trade, a deduction is allowed for any costs of transportation, delivery or distribution incurred by the company in making the gift.
- (4) The deduction is allowed for the accounting period in which the costs are incurred.
- (5) The Treasury may by order provide that this section is not to have effect in relation to medical supplies or medical equipment of any description specified in the order.
- (6) This section needs to be read with section 108 (receipt of benefits by donor or connected person).

Benefits associated with gifts

108 Receipt of benefits by donor or connected person

- (1) This section applies if a company carrying on a trade makes a gift in relation to which relief is given under—
- (a) section 105,
 - (b) section 107(2), or
 - (c) section 63(2) of CAA 2001 (gifts to charities etc of plant or machinery used in the trade),
- and the company, or a person connected with the company, receives a benefit which is in any way attributable to the making of the gift.
- (2) This section also applies if—
- (a) relief is given under section 107(3) for costs of transportation, delivery or distribution incurred by a company carrying on a trade, and
 - (b) the company, or a person connected with the company, receives a benefit which is in any way attributable to the company's incurring of those costs.
- (3) An amount equal to the value of the benefit—
- (a) is brought into account in calculating the profits of the trade, as a receipt of the trade arising in the accounting period in which the benefit is received, or
 - (b) if the company has permanently ceased to carry on the trade before the benefit is received, is treated as a post-cessation receipt (see Chapter 15).

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