



# Finance Act 2019

## 2019 CHAPTER 1

### PART 1

#### DIRECT TAXES

##### *Corporation tax: miscellaneous*

#### **25 Intangible fixed assets: restrictions on goodwill and certain other assets**

Schedule 9 contains provision about the debits to be brought into account for corporation tax purposes in respect of goodwill and certain other assets.

#### **26 Intangible fixed assets: exceptions to degrouping charges etc**

- (1) Part 8 of CTA 2009 (intangible fixed assets) is amended as follows.
- (2) In section 780 (deemed realisation etc on company leaving group) in subsection (5) (exceptions) after paragraph (a) insert—
  - “(aa) section 782A (company leaving group because of relevant share disposal),”.
- (3) After section 782 insert—

##### **“782A Company leaving group because of relevant share disposal**

- (1) Section 780 does not apply if a company ceases to be a member of a group because of a relevant disposal of shares by another company.
- (2) A disposal of shares by a company is “relevant” if—
  - (a) the company would not be chargeable to corporation tax in respect of any gain accruing on the disposal by reason of the exemption conferred by paragraph 1 of Schedule 7AC to TCGA 1992 (assuming the company was within the charge to corporation tax), and

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Cross Heading: Corporation tax: miscellaneous. (See end of Document for details)*

---

- (b) the disposal is not part of an arrangement under which the recipient of the shares is to dispose of any of them to another person.
- (3) For the purposes of subsection (2)(a) ignore paragraph 6 of Schedule 7AC to TCGA 1992 (cases in which exemptions do not apply).”
- (4) In section 785 (principal company becoming member of another group)—
  - (a) in subsection (2)(b) for the words from “both” to “effective 51%” substitute “ a relevant ”, and
  - (b) after subsection (2) insert—
    - “(2A) For the purposes of subsection (2)(b) the transferee is a “relevant subsidiary” of a member of the second group (“A”) if, but for sections 767 to 770, the transferee would be a member of another group of which A would be the principal company.
    - (2B) Subsection (2) does not apply if the transferee ceases to meet the qualifying condition by reason of a relevant disposal of shares by another company (within the meaning given by section 782A(2)).”
- (5) The amendments made by this section have effect in relation to a company that ceases to be a member of a group or ceases to meet the condition in section 785(2)(b) of CTA 2009 (as amended by subsection (4)) on or after 7 November 2018.
- (6) In its application in relation to a company that ceases to be a member of a group or ceases to meet the condition in section 785(2)(b) of CTA 2009 before 21 December 2018, section 782A of CTA 2009 has effect as if subsection (3) of that section was omitted.

## **27 Corporation tax relief for carried-forward losses**

Schedule 10 makes provision about corporation tax relief for losses and other amounts that are carried forward.

## **28 Corporate interest restriction**

Schedule 11 contains provision amending Part 10 of TIOPA 2010 (corporate interest restriction).

## **29 Debtor relationships of company where money lent to connected companies**

Schedule 12 makes provision for preventing a mismatch for corporation tax purposes in a case where—

- (a) a company has a debtor relationship which is dealt with in its accounts on the basis of fair value accounting, and
- (b) the money it receives under that relationship is wholly or mainly used to lend money to companies that are connected with it (and, accordingly, those creditor relationships are required to be dealt with for corporation tax purposes on an amortised cost basis of accounting).

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2019, Cross Heading:  
Corporation tax: miscellaneous.