

SCHEDULES

SCHEDULE 14

LEASES: CHANGES TO ACCOUNTING STANDARDS ETC

PART 3

CHANGES TO ACCOUNTING STANDARDS AND TAX ADJUSTMENTS

Certain cases where there is a transfer of a lease

- 15 (1) This paragraph applies if—
- (a) before the whole of an amount has been treated by paragraph 13 as arising to the lessee, there is a transfer of a lease or part of a lease from the lessee to another person,
 - (b) the transferee is connected to the lessee,
 - (c) immediately after the transfer, the transferee carries on activities the profits of which are chargeable to income tax or corporation tax, and
 - (d) the transfer is not one where it is reasonable to suppose that the transfer is, or arrangements of which the transfer is part are, designed to avoid tax.
- (2) The amount is to continue to be dealt with in accordance with paragraph 13 but is to be treated as arising to the transferee over so much of the spreading period as falls on or after the date on which the transfer takes place.
- (3) If, following the transfer, it is necessary to apportion between more than one person an amount treated by paragraph 13 or this paragraph as arising, the apportionment is to be made on a just and reasonable basis.
- (4) In this paragraph—
“connected” is to be read in accordance with sections 993 and 994 of ITA 2007 and sections 1122 and 1123 of CTA 2010, and
“the spreading period” has the same meaning as in paragraph 13.