

## SCHEDULE 2

### EUROPEAN CROSS-BORDER MERGERS

#### PART 1

##### AMENDMENTS OF TCGA 1992

6. For section 154(2A) and (2B) (new assets which are depreciating assets) <sup>M1</sup> substitute—
- “(2A) If asset No 2 or shares in a company which holds asset No 2 are transferred as part of the process of a merger to which section 140E applies, the transfer shall be disregarded for the purpose of subsection (2), and for that purpose—
- (a) if the transferee holds asset No 2, it shall be treated for the purpose of subsection (2), in relation to asset No 2, as if it were the claimant, or
  - (b) if the transferee holds shares in the company which holds asset No 2, section 175 <sup>M2</sup> shall apply in relation to the group of which the transferee is a member as if it were the same group as any group of which the claimant was a member before the merger.
- (2B) If, as part of the process of a merger to which section 140E applies, the transferee becomes a member (whether or not as the principal company) of a group of which the claimant is also a member, for the purposes of subsection (2) section 175 shall apply in relation to the trade carried on by the claimant as if the group of which the transferee is a member were the same group as the group of which the claimant was a member before the merger.
- (2C) In subsections (2A) and (2B) <sup>M3</sup>, “transferor” and “transferee” have the meaning given by section 140E(9).”.

#### Marginal Citations

- M1** Subsections (2A) and (2B) of section 154 were inserted by section 64(3) of the Finance (No. 2) Act 2005.
- M2** [Section 175](#) was amended by section 251 of the Finance Act 1994, and section 48 of the Finance Act 1995.
- M3** Subsections (1B) and (1C) of section 179 were inserted by section 51(1) of the Finance (No. 2) Act 2005.

**Changes to legislation:**

There are currently no known outstanding effects for the The Corporation Tax (Implementation of the Mergers Directive) Regulations 2007, Paragraph 6.