

SCHEDULES

SCHEDULE 4

TAXATION PROVISIONS

PART I

CORPORATION TAX

Chargeable gains: group transactions

- 8 (1) For the purposes of section 179 of the 1992 Act (company ceasing to be a member of a group) where by virtue of any relevant transfer any company—
- (a) ceases to be a member of the same group of companies as the predecessor, but
 - (b) becomes a member of the same group of companies as the transferee,
- that company shall not under that section be treated, in consequence of having so ceased, as at any time having sold, and immediately reacquired, any asset acquired from a company which is or has been a member of the former group.
- (2) Subject to sub-paragraph (3) below, where sub-paragraph (1) above applies, or but for subsection (2) of section 179 of the 1992 Act would apply, as respects any acquisition of any asset and the company that acquired the asset ceases to be a member of the same group of companies as the transferee, that section shall have effect as if—
- (a) that asset had been acquired from the transferee; and
 - (b) that company had been a member of the same group of companies as the transferee when it was so acquired;
- and where, for the purposes of that subsection, this sub-paragraph applies as respects more than one of a number of successive acquisitions of any asset, the fact that each is to be treated as an acquisition from the same person shall be disregarded.
- (3) Where—
- (a) any asset has been acquired by any company (“the leaving company”) from another company,
 - (b) both of those companies cease at the same time to be members of the same group of companies as the transferee, and
 - (c) those companies are associated companies both immediately before and immediately after that time,
- sub-paragraph (2) above shall not apply as respects the acquisition of the asset by the leaving company.
- (4) Expressions used in this paragraph and in section 179 of the 1992 Act shall have the same meanings in this paragraph as in that section.