

SCHEDULES

SCHEDULE 4

TAXATION PROVISIONS

PART I

CORPORATION TAX

Special provision for successor companies

- 17 (1) Where—
- (a) by virtue of any relevant transfer any liability for any loan made to the predecessor vests in a successor company, and
 - (b) at the coming into force of that transfer that company is wholly owned by the Crown,
- the vesting of liability for that loan in that company shall not affect any direction in respect of the loan given or having effect as if given by the Treasury under section 581 of the 1988 Act (income tax exemption for interest on foreign currency securities).
- (2) Any share issued by a successor company in pursuance of paragraph 2 of Schedule 3 to this Act shall be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in consideration of a subscription paid to that company of an amount equal to the nominal value of the share.
- (3) Any debenture issued by a successor company in pursuance of paragraph 2 of Schedule 3 to this Act shall be treated for the purposes of the Corporation Tax Acts as if it had been issued—
- (a) wholly in consideration of a loan made to that company of an amount equal to the principal sum payable under the debenture; and
 - (b) wholly and exclusively for the purposes of the trade carried on by that company.
- (4) If any debenture issued as mentioned in sub-paragraph (3) above includes provisions for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the issue of the debenture, any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the debenture had been issued at the commencement of that period and, accordingly, as interest on the principal sum payable under the debenture.