



# Regional Development Agencies Act 1998

## 1998 CHAPTER 45

### PART III

#### GENERAL

#### **38 Corporation tax**

- (1) The following provisions apply for the purposes of the Corporation Tax Acts.
- (2) Any trade or part of a trade transferred under a transfer scheme is to be treated as having been, at the time of its commencement and at all times since that time, a separate trade carried on by the transferee.
- (3) Where any trade, or part of a trade, is transferred under a transfer scheme, the trade carried on by the transferee after the date of the transfer is to be treated as the same trade as that which, by virtue of subsection (2), it is treated as having carried on before that date.
- (4) All property, rights and liabilities transferred under a transfer scheme are to be treated as having been, at the time when they became vested in the transferor, and at all times since that time, property, rights and liabilities of the transferee.
- (5) Anything done, in relation to property, rights and liabilities transferred under a transfer scheme, by the transferor is to be deemed to have been done by the transferee.
- (6) Where any property, rights and liabilities transferred under a transfer scheme became vested in the transferor by virtue of a transfer made by a company in which, at the time of the transfer, the transferor held an interest, that interest is to be deemed to have been held at that time by the transferee.
- (7) Where any property, rights and liabilities transferred under a transfer scheme became vested in the transferor by virtue of a qualifying transfer, or two or more successive qualifying transfers—
  - (a) subsection (4) has effect as if the reference to the time when the property, rights and liabilities became vested in the transferor were a reference to the time when they became vested in the original transferor (that is to say, the

---

*Status: This is the original version (as it was originally enacted).*

---

transferor under the qualifying transfer or, as the case may be, the first of the qualifying transfers), and

- (b) if the property, rights and liabilities became vested in the original transferor by virtue of a transfer made by a company in which, at the time of the transfer, the original transferor held an interest, that interest is to be deemed to have been held at that time by the transferee under the transfer scheme.
- (8) The previous provisions of this section are subject to such apportionments of unallowed tax losses and of expenditure by reference to which capital allowances may be made as may be specified in the transfer scheme concerned.
- (9) This section has effect in relation to accounting periods beginning after the final accounting period.
- (10) In this section—
- “capital allowance” has the same meaning as in the Tax Acts;
  - “final accounting period” means the last complete accounting period of the transferor under the transfer scheme concerned;
  - “qualifying transfer” means a transfer made to one of the following bodies by another such body—
    - (a) the Development Commission,
    - (b) the Urban Regeneration Agency,
    - (c) a regional development agency;
  - “transfer scheme” means—
    - (a) an order under section 25 which includes provision for the transfer of property, rights or liabilities, and
    - (b) a scheme under any of sections 34 to 37 for the transfer of property, rights or liabilities;
  - “unallowed tax losses” means any losses, allowances or amounts which, as at the end of the final accounting period, are tax losses within the meaning given by section 400(2) of the Income and Corporation Taxes Act 1988.