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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2000, Cross Heading: De-grouping charge. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 29

#### CHARGEABLE GAINS: NON-RESIDENT COMPANIES AND GROUPS ETC.

##### PART I

#### APPLICATION OF TAXATION OF CHARGEABLE GAINS ACT 1992

##### *De-grouping charge*

4 (1) Section 179 of the <sup>M1</sup>Taxation of Chargeable Gains Act 1992 (company ceasing to be member of group) is amended as follows.

(2) For subsection (1) substitute—

“(1) This section applies where—

- (a) a company (“company A”) acquires an asset from another company (“company B”) at a time when company B is a member of a group,
- (b) the conditions in subsection (1A) below are met, and
- (c) company A ceases to be a member of that group within the period of six years after the time of the acquisition.

References in this section to a company ceasing to be a member of a group of companies do not apply to cases where a company ceases to be a member of a group in consequence of another member of the group ceasing to exist.

(1A) The conditions referred to in subsection (1)(b) above are—

- (a) that company A is resident in the United Kingdom at the time it acquires the asset, or the asset is a chargeable asset in relation to that company immediately after that time, and
- (b) that company B is resident in the United Kingdom at the time of that acquisition, or the asset is a chargeable asset in relation to that company immediately before that time.

For this purpose an asset is a “chargeable asset” in relation to a company at any time if, were the asset to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain and would by virtue of section 10(3) form part of its chargeable profits for corporation tax purposes.”

(3) In subsection (2A)—

(a) in paragraph (a)—

- (i) after “a company” insert “ (“company A”) ”, and
- (ii) after “another company” insert “ (“company B”) ”,

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- (b) in paragraph (b) for “that company’s” substitute “ company A’s ”,
  - (c) in paragraph (c) for “the company that made the acquisition” substitute “ company A ”, and
  - (d) in the closing words for “the company’s” substitute “ company A’s ”.
- (4) In subsections (2B) (three times), (2C), (2D), (3) (three times), (4) (twice), (10)(c) and (13) for “the chargeable company” substitute “ company A ”.
- (5) Subsections (11) and (12) (which are superseded by the provision made by paragraph 9 below) shall cease to have effect.
- (6) The amendments made by sub-paragraphs (2) to (4) above, and the main amendments so far as they apply for the purposes of section 179, have effect in relation to assets acquired on or after 1st April 2000.
- (7) The amendments made by sub-paragraph (5) above have effect in relation to gains accruing on or after 1st April 2000.

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**Marginal Citations**

**M1** 1992 c. 12.

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