

SCHEDULES

SCHEDULE 9

TAXATION PROVISIONS RELATING TO NUCLEAR TRANSFER SCHEMES

PART 1

TRANSFERS TO THE NDA OR A SUBSIDIARY OF THE NDA

Trading losses: transfer of undertaking carrying on exempt activities

- 2 (1) This paragraph applies for the purposes of corporation tax where—
- (a) a company (“the transferor company”) which is not an NDA company is carrying on a trade which consists in or includes exempt activities; and
 - (b) in consequence of a section 39 scheme—
 - (i) the transferor company ceases to carry on that trade or a part of it which consists in or includes such activities; and
 - (ii) the NDA or an NDA company begins to carry on that trade or that part of it.
- (2) Trading losses attributable to so much of the trade or part of a trade as consists in exempt activities carried on by the transferor company before the time when the NDA or the NDA company begins to carry on the trade or that part of it shall be treated, in relation to accounting periods ending after that time, as extinguished.
- (3) Subsections (3), (4A), (7) to (9) and (11) of section 343 of the Taxes Act (company reconstruction without change of ownership) shall apply in relation to an unextinguished loss sustained by the transferor company in carrying on the trade or the part of it in question as if—
- (a) the case were a case falling within subsection (1) of that section;
 - (b) the transferor company were the predecessor; and
 - (c) the NDA or the NDA company in question were the successor.