

SCHEDULES

SCHEDULE 10

TAXATION PROVISIONS RELATING TO TRANSFER SCHEMES

PART 2

OTHER TRANSFERS UNDER SECTION 1(2) SCHEMES

Capital allowances: transfer of whole trade

- 12 (1) This paragraph applies where a person (“the predecessor”) is carrying on a trade and, in consequence of a scheme made under section 1(2)—
- (a) the predecessor ceases to carry on that trade; and
 - (b) a person who is not a national authority (“the successor”) begins to carry on that trade.
- (2) For the purposes of the allowances and charges provided for by the 2001 Act, the trade is not to be treated as permanently discontinued, nor a new trade as set up; but sub-paragraphs (3) and (4) of this paragraph are to apply.
- (3) There are to be made to or on the successor, in accordance with the 2001 Act, all such allowances and charges as would, if the predecessor had continued to carry on the trade, have fallen to be made to or on the predecessor.
- (4) The amounts of those allowances and charges are to be computed as if—
- (a) the successor had been carrying on the trade since the predecessor began to do so; and
 - (b) everything done to or by the predecessor had been done to or by the successor;
- but so that transfers in accordance with the scheme, so far as they relate to assets in use for the purposes of the trade, shall not be treated as giving rise to an allowance or charge.