



Finance Act 2007

2007 CHAPTER 11

PART 7

MISCELLANEOUS

Other miscellaneous measures

110 Mergers Directive: regulations

- (1) The Treasury may by regulations make provision about—
- (a) the tax consequences of a merger to form an SE or SCE,
 - (b) the tax consequences of a merger where—
 - (i) each party to the merger is resident in a member State, and
 - (ii) the parties are not all resident in the same member State,
 - (c) the tax consequences of a transfer between companies of a business or part of a business, where—
 - (i) each party to the transfer is resident in a member State, and
 - (ii) the parties are not all resident in the same member State,
 - (d) the tax consequences of a share exchange to which section 135 of TCGA 1992 (exchange of securities) applies where companies A and B are resident in different member States,
 - (e) the residence of an SE or SCE.
- (2) Regulations may, in particular, make provision—
- (a) about the taxation of chargeable gains (including conferring relief from taxation in relation to transfers or mergers which satisfy specified conditions),
 - (b) conferring relief from taxation on a distribution of a company which satisfies specified conditions,
 - (c) about the treatment of securities issued on a transfer or merger,
 - (d) about the treatment of loan relationships,
 - (e) about the treatment of derivative contracts,

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- (f) about the treatment of intangible fixed assets, and
 - (g) about capital allowances.
- (3) Regulations may make provision only if the Treasury think it necessary or expedient for the purposes of complying with the United Kingdom's obligations under the Mergers Directive.
- (4) In this section—
- “the Mergers Directive” means Council Directive [^{F1}2009/133/EC],
 - “SCE” means an SCE formed in accordance with Council Regulation (EC) 1435/2003 on the Statute for a European Cooperative Society, and
 - “SE” means an SE formed in accordance with Council Regulation (EC) 2157/2001 on the Statute for a European Company.
- (5) Regulations under this section may—
- (a) amend the Taxes Acts,
 - (b) make incidental or consequential amendments of enactments other than the Taxes Acts,
 - (c) make provision having retrospective effect,
 - (d) make provision generally or only for specified cases or circumstances,
 - (e) make different provision for different cases or circumstances,
 - (f) make incidental, consequential or transitional provision.
- (6) In this section “the Taxes Acts” has the meaning given by section 118(1) of TMA 1970.

Textual Amendments

- F1** Word in s. 110(4) substituted (1.7.2011) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2011 \(S.I. 2011/1431\)](#), regs. 1(2), 3

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)
- Sch. 24 para. 28(fa)(ia) words substituted by [2024 c. 3 Sch. 1 para. 11](#)