



Corporation Tax Act 2009

2009 CHAPTER 4

PART 8

INTANGIBLE FIXED ASSETS

CHAPTER 9

APPLICATION OF THIS PART TO GROUPS OF COMPANIES

Transfers within a group treated as tax-neutral

775 Transfers within a group

- (1) A transfer of an intangible fixed asset from one company (“the transferor”) to another company (“the transferee”) is tax-neutral for the purposes of this Part if—
 - (a) at the time of the transfer both companies are members of the same group,
 - (b) immediately before the transfer the asset is a chargeable intangible asset in relation to the transferor, and
 - (c) immediately after the transfer the asset is a chargeable intangible asset in relation to the transferee.
- (2) For the consequences of a transfer being tax-neutral for the purposes of this Part, see section 776.
- (3) [^{F1}Part 4 of TIOPA 2010] (provision not at arm's length) does not apply in relation to a transfer to which subsection (1) applies.
- (4) Subsection (1) does not apply if—
 - (a) the transferor or transferee is a qualifying society within the meaning of section 461A of ICTA (incorporated friendly societies entitled to exemption from tax), ^{F2}...
 - (b) the transferee is a dual resident investing company within the meaning of [^{F3}section 949 of CTA 2010 (dual resident investing companies)] [^{F4}, or

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- (c) an election under section 18A has effect in relation to the transferor and the asset has at any time been held by the transferor wholly or partly for the purposes of a permanent establishment in a territory outside the United Kingdom through which the transferor carries on business.]

Textual Amendments

- F1** Words in s. 775(3) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 146](#) (with [Sch. 9 paras. 1-9, 22](#))
- F2** Word in s. 775(4)(a) omitted (19.7.2011) by virtue of [Finance Act 2011 \(c. 11\), Sch. 13 paras. 5, 31](#)
- F3** Words in s. 775(4)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 648](#) (with [Sch. 2](#))
- F4** S. 775(4)(c) and word inserted (19.7.2011) by [Finance Act 2011 \(c. 11\), Sch. 13 paras. 5, 31](#)

776 Meaning of “tax-neutral” transfer

- (1) This section sets out the consequences of a transfer of an asset being “tax-neutral” for the purposes of this Part.
- (2) The transfer is treated for those purposes as not involving—
 - (a) any realisation of the asset by the transferor, or
 - (b) any acquisition of the asset by the transferee.
- (3) The transferee is treated for those purposes—
 - (a) as having held the asset at all times when it was held by the transferor, and
 - (b) as having done all such things in relation to the asset as were done by the transferor.
- (4) In particular—
 - (a) the original cost of the asset in the hands of the transferor is treated as the original cost in the hands of the transferee, and
 - (b) all such credits and debits in relation to the asset as have been brought into account for tax purposes by the transferor under this Part are treated as if they had been brought into account by the transferee.
- (5) The references in subsection (4)(a) to the cost of the asset are to the cost recognised for tax purposes.

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