



Corporation Tax Act 2009

2009 CHAPTER 4

PART 3

TRADING INCOME

CHAPTER 15

POST-CESSATION RECEIPTS

Sums treated as post-cessation receipts

194 Transfer of rights if transferee does not carry on trade

- (1) This section applies if—
 - (a) a company (“the transferor”) permanently ceases to carry on a trade,
 - (b) the transferor transfers to another person (“the transferee”) for value the right to receive sums arising from the carrying on of the trade, and
 - (c) the transferee does not subsequently carry on the trade.
- (2) The transferor is treated as receiving a post-cessation receipt.
- (3) The amount of the receipt is—
 - (a) the amount or value of the consideration for the transfer, if the transfer is at arm’s length, or
 - (b) the value of the rights transferred as between parties at arm’s length, if the transfer is not at arm’s length.
- (4) Any sums mentioned in subsection (1)(b) which are received after the cessation of the trade are not post-cessation receipts.
- (5) This section is subject to section 195 (transfer of trading stock).