

**2009 No. 2797**

**CORPORATION TAX**

**The Corporation Tax (Implementation of the Mergers Directive)  
Regulations 2009**

<i>Made</i>	- - - -	<i>19th October 2009</i>
<i>Laid before Parliament</i>		<i>20th October 2009</i>
<i>Coming into force</i>	- -	<i>11th November 2009</i>

The Treasury are a government department designated(a) for the purposes of section 2(2) of the European Communities Act 1972(b) in relation to measures relating to the movement of capital and to payments between member States and between member States and countries that are not member States.

The Treasury make the following Regulations in exercise of the powers conferred by section 2(2) of that Act.

**Citation, commencement and effect**

**1.**—(1) These Regulations may be cited as the Corporation Tax (Implementation of the Mergers Directive) Regulations 2009.

(2) These Regulations shall come into force on 11th November 2009.

(3) These Regulations shall have effect in relation to distributions (falling within section 213(3) of the Income and Corporation Taxes Act 1988(c) (exempt distributions)) that are made on or after 11th November 2009.

**Amendment of section 213 of the Income and Corporation Taxes Act 1988**

**2.** In section 213(4) of the Income and Corporation Taxes Act 1988 for “the United Kingdom” substitute “a member State”(d).

19th October 2009

*Dave Watts*  
*Tony Cunningham*  
Two of the Lords Commissioners to Her Majesty’s Treasury

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(a) S.I. 1994/757.  
(b) 1972 c.68.  
(c) 1988 c.1.  
(d) “member State” has the same meaning as provided by Schedule 1 to the European Communities Act 1972 (c.68) by virtue of Schedule 1 to the Interpretation Act 1978 (c. 30.).

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend section 213(4) of the Income and Corporation Taxes Act 1988 (c.1.) (exempt distributions) to extend the same treatment to distributions involving member State companies as that applicable to distributions involving only UK companies in relation to certain distributions on de-merger.

This is for the purposes of implementing Directive 90/434/EEC of the European Parliament and of the Council of 26 October 2005 on cross border mergers of limited liability companies (OJ 58, 4.3.2005 p. 19), as amended by Council Directive 2005/19/EC of 17 February 2005 amending Directive 90/434/EEC 1990 on the common system of taxation applicable to mergers, divisions, transfer of assets and exchanges of shares concerning companies of different member States (OJ L 310, 25.11.2005. p1) (“the Mergers Directive”).

Related instruments are the Corporation Tax (Implementation of the Mergers Directive) Regulations 2007 (S.I. 2007/3186) and the Corporation Tax (Implementation of the Mergers Directive) Regulations 2008 (S.I. 2008/1579).

A transposition note has been prepared, which sets out how the main elements of the Mergers Directive have been transposed into UK law and is available from CT and VAT team, HMRC, 100 Parliament Street, London, SW1A 2HQ. It is also available on the HMRC website ([www.hmrc.gov.uk](http://www.hmrc.gov.uk)) and a copy has been placed in the Library of the House of Commons.

A full Impact Assessment has not been produced for this instrument, as no impact on the private or voluntary sectors is foreseen.

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