STATUTORY INSTRUMENTS

2015 No. 1540

CORPORATION TAX

The Housing and Regeneration Transfer Schemes (Tax Consequences) Regulations 2015

Made - - - -	*16th July 2015*
Laid before the House of Commons - - - -	*17th July 2015*
Coming into force - -	*7th August 2015*

The Treasury make the following Regulations in exercise of the powers conferred by section 333DC of the Greater London Authority Act 1999(**1**) and section 53B of the Housing and Regeneration Act 2008(**2**).

Citation and commencement

1. These Regulations may be cited as the Housing and Regeneration Transfer Schemes (Tax Consequences) Regulations 2015 and come into force on 7th August 2015.

Interpretation

2.—(1) In these Regulations—

"CAA 2001" means the Capital Allowances Act 2001(**3**);

"public body" means a person which is a public body for the purposes of section 66 of the Finance Act 2003(**4**);

"TCGA 1992" means the Taxation of Chargeable Gains Act 1992(**5**);

"taxable public body" means a public body which is within the charge to corporation tax;

"transfer scheme" means a transfer scheme made under—

(a) section 333DA of the Greater London Authority Act 1999, or

(**1**) 1999 c. 29. Sections 333DA to 333DC were inserted by section 31(5) and (6) of the Infrastructure Act 2015 (c. 7).
(**2**) 2008 c. 17. Sections 53A and 53B were inserted by section 31(1) and (2) of the Infrastructure Act 2015.
(**3**) 2001 c. 2.
(**4**) 2003 c. 14. Section 66 was amended by paragraph 18 of Schedule 10 to the Finance (No. 2) Act 2005 (c. 22); paragraph 64 of Schedule 10 to the Government of Wales Act 2006 (c. 32); paragraph 234 of Schedule 1 to the National Health Service (Consequential Provisions) Act 2006 (c. 43); article 3(5)(a) of the Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2009 (S.I. 2009/1890) and paragraph 87 of Schedule 14 to the Health and Social Care Act 2012 (c. 7).
(**5**) 1992 c. 12.

(b) section 53A of the Housing and Regeneration Act 2008;

"trading stock" has the meaning given by section 163 of the Corporation Tax Act 2009(**6**);

"transferee", in relation to a transfer scheme, means the person to whom the transfer is made;

"transferor", in relation to a transfer scheme, means the person from whom the transfer is made.

(2) Expressions used in regulations 7 and 8 and in Part 2 of CAA 2001 have the same meanings in those regulations as in that Part.

Application of Regulations to transfers between taxable public bodies

3. These Regulations apply to any transfer, in accordance with a transfer scheme, from a taxable public body to another taxable public body.

Corporation tax: transfers of trading stock

4.—(1) This regulation applies if there is a transfer of trading stock of the transferor.

(2) Paragraphs (3) and (4) have effect in calculating for any corporation tax purpose both—

(a) the profits of the transferor's trade in relation to which the stock is trading stock immediately before the transfer takes effect, and

(b) the consideration given, or the expenditure incurred, by the transferee for the acquisition of the stock (whether acquired as trading stock or not).

(3) The stock is to be treated as having been—

(a) disposed of by the transferor in the course of the transferor's trade, and

(b) disposed of and acquired when the transfer takes effect.

(4) The stock is to be valued as if the disposal and acquisition had been for a consideration which in relation to the transferor would have resulted in neither a profit nor a loss being brought into account in respect of the disposal in the accounting period of the transferor which ends with, or is current at, the time when the transfer takes effect.

Corporation tax: transfers of assets that will be trading stock of the transferee

5.—(1) This regulation applies if—

(a) a transfer constitutes a disposal of an asset for the purposes of TCGA 1992,

(b) at the time of the disposal, the asset is not trading stock of the transferor, and

(c) immediately after the disposal, the asset will be trading stock of the transferee.

(2) For any corporation tax purpose, the trading stock—

(a) is to be treated as having been acquired by the transferee in the course of the transferee's trade, and

(b) is to be valued as if it had been acquired by the transferee for a consideration such that no gain or loss would accrue to the transferor for the purposes of TCGA 1992.

Chargeable gains: disposal on transfer to be treated as no gain/no loss disposal

6.—(1) For the purposes of TCGA 1992, a disposal constituted by a transfer is to be taken in relation to the transferor and transferee to be for a consideration such that no gain or loss accrues to the transferor.

(**6**) 2009 c. 4.