

The BRB (Residuary) Limited (Tax Consequences) Order 2013

Who is likely to be affected?

BRB (Residuary) Ltd ("BRB Residuary"), London & Continental Railways Ltd ("LCR") and Network Rail Infrastructure Ltd ("Network Rail").

General description of the measure

The measure addresses corporation tax and stamp duty consequences that would otherwise arise from the statutory transfer of property, rights and liabilities of BRB Residuary.

Policy objective

To facilitate the statutory transfer of property, rights and liabilities in connection with the abolition of BRB Residuary by preventing an unintended tax advantage or disadvantage for the bodies concerned. This measure is consistent with the normal tax policy of ensuring that transfers of assets and liabilities between public sector bodies do not create corporation tax advantages or disadvantages for the bodies concerned.

Detailed proposal

Operative date

The measure will come into force on 30 September 2013 and operates in the case of a transfer of property, rights or liabilities from BRB Residuary to the Secretary of State for Transport, LCR or Network Rail as a result of a transfer scheme made by the Secretary of State for Transport under section 23 of the Public Bodies Act 2011.

Current law

BRB Residuary, LCR and Network Rail are subject to the normal rules for corporation tax and stamp duty.

Proposed revisions

The provisions of the order prevent certain corporation tax and stamp duty consequences, that would otherwise arise solely because of the statutory transfer, and provide continuity of treatment for corporation tax purposes.

Summary of impacts

Exchequer impact (£m)	2013-14	2014-15	2015-16	2016-17	2017-18
	Nil	Nil	Nil	Nil	Nil
	This measure is not expected to have an exchequer impact.				
Economic impact	This measure is not expected to have any economic impacts.				

Impact on individuals and households	The measure will not have any impact on individuals and households because it only affects the bodies named.
Equalities impacts	The measure only affects the bodies named and is therefore not expected to impact on any equality group.
Impact on business including civil society organisations	This measure is expected to have a negligible impact on businesses and civil society organisations. The measure only affects the bodies named. They will need to understand and apply the legislation but costs are negligible.
Operational impact (£m) (HMRC or other)	HMRC will not incur any additional operational costs implementing the order.
Other impacts	There are no other impacts.

Monitoring and evaluation

The policy will be monitored through information collected from tax returns.

Further advice

If you have any questions about the order, please contact Mark Anderson on 03000 585604 (email: mark.anderson@hmrc.gsi.gov.uk).

Declaration

David Gauke MP, Exchequer Secretary to the Treasury, has read this Tax Information and Impact Note and is satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impacts of the order.