

Amendments 4, 5 and 6 to Clause 25: Intangible fixed assets: exceptions to degrouping charges etc

Summary

1. These amendments make a technical change to the degrouping charge reforms in clause 25, ensuring they apply as intended to certain corporate demergers. The change made by the amendments will have effect from 21 December 2018.

Details of the amendments

2. Amendment 4 alters subsection (3) of clause 25 in order to clarify the wording of new subsection 782A(2)(a) of the Corporation Tax Act 2009 (CTA 2009).
3. Amendment 5 alters subsection (3) of the clause to insert new subsection 782A(3). This provides that, in determining for the purposes of subsection 782A(2)(a) whether a disposal would be exempt under paragraph 1 of Schedule 7AC, the exclusions in paragraph 6 of that Schedule shall be ignored.
4. Amendment 6 alters the commencement provisions in subsection (5) of the clause so that the changes made by amendment 5 have effect from 21 December 2018.

Background note

5. Clause 25 amends Part 8 of CTA 2009 so that a degrouping charge will no longer arise in situations in which a company leaves a group as a result of a share disposal that qualifies for the Substantial Shareholding Exemption.
6. These amendments make a technical change which ensures the legislation operates as intended.