

SCHEDULES

SCHEDULE 3

TAXATION PROVISIONS

PART I

CORPORATION TAX

Leased assets

- 11 (1) For the purposes of section 781 of the 1988 Act (assets leased to traders and others), where the interest of the lessor or the lessee under a lease, or any other interest in an asset, vests in a successor company or the Authority in accordance with a transfer scheme, the vesting shall be treated as being effected without any capital sum having been obtained in respect of that interest by the Authority or the successor company.
- (2) Section 782 of the 1988 Act (deduction of payment under leases: special cases) shall not apply to any payments made by a successor company or the Authority—
- (a) under any lease granted to a successor company or the Authority for the purposes of the creation in accordance with a transfer scheme of any leasehold interest, including, where effect has been given without the grant of a lease to the creation of a leasehold interest in accordance with such a scheme, any lease to which effect is so given, or
 - (b) under any lease—
 - (i) which is granted to or by a successor company at a time when it remains publicly owned, and
 - (ii) which is a lease of an asset which at any time before the creation of the lease was used by the Authority for the purposes of a trade carried on by the Authority and which was, when so used, owned by the Authority.
- (3) In this paragraph “lease” and “asset” have the meanings given by section 785 of the 1988 Act and references to a leasehold interest are references to any such interest as may subsist under a lease.