



Capital Allowances Act 2001

2001 CHAPTER 2

PART 12

SUPPLEMENTARY PROVISIONS

CHAPTER 4

PARTNERSHIPS, SUCCESSIONS AND TRANSFERS

[^{F1}561A Transfer of asset by reason of cross-border merger

- (1) This section applies to the transfer of a qualifying asset as part of the process of a merger to which section 140E of TCGA 1992 (mergers: assets within UK tax charge) applies (or would apply but for section 140E(2)(c)).
- (2) Where this section applies to a transfer—
 - (a) the transfer does not give rise to any allowance or charge under this Act,
 - (b) anything done to or by the transferor in relation to assets transferred is to be treated after the transfer as having been done to or by the transferee (with any necessary apportionment of expenditure being made in a reasonable manner), and
 - (c) [^{F2}section 948 of CTA 2010 (modified application of CAA 2001 in relation to trade transfers without a change of ownership) does not apply.]
- (3) For the purposes of subsection (1) an asset is a “qualifying asset” if—
 - (a) it is transferred to the transferee as part of the process of the merger, and
 - (b) subsections (4) and (5) are satisfied in respect of it.
- (4) This subsection is satisfied in respect of an asset if—
 - (a) the transferor is resident in the United Kingdom at the time of the transfer, or
 - (b) the asset is an asset of a permanent establishment in the United Kingdom of the transferor.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 561A. (See end of Document for details)

- (5) This subsection is satisfied in respect of an asset if—
- (a) the transferee is resident in the United Kingdom at the time of the transfer, or
 - (b) the asset is an asset of a permanent establishment of the transferee in the United Kingdom immediately following the transfer.]

Textual Amendments

- F1** S. 561A substituted (with effect in accordance with reg. 3(2) of the amending S.I.) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), reg. 1(2), **Sch. 2 para. 14**
- F2** S. 561A(2)(c) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 361** (with [Sch. 2](#))

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 561A.