



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 8 U.K.

#### INTANGIBLE FIXED ASSETS

### CHAPTER 14 U.K.

#### MISCELLANEOUS PROVISIONS

*Assets ceasing to be or becoming chargeable intangible assets*

**859 Asset ceasing to be chargeable intangible asset: deemed realisation at market value U.K.**

- (1) If an asset ceases to be a chargeable intangible asset in relation to a company in any of the circumstances specified in subsection (2), this Part applies as if—
  - (a) immediately before the asset ceased to be a chargeable intangible asset in relation to the company, the company had realised the asset for its market value at that time, and
  - (b) the company had immediately reacquired it at that value.
- (2) The circumstances are—
  - (a) that the company ceases to be UK resident,
  - (b) in the case of a company that is not UK resident, any circumstances not involving the realisation of the asset by the company, and
  - (c) that the asset begins to be held for the purposes of a mutual trade or business.

<sup>F1</sup>(3) .....

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

#### Textual Amendments

- F1** S. 859(3) omitted (with effect in accordance with Sch. 8 para. 10(5) of the amending Act) by virtue of Finance Act 2019 (c. 1), **Sch. 8 para. 10(3)**

### **F2 860 Asset ceasing to be chargeable intangible asset: postponement of gain U.K.**

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#### Textual Amendments

- F2** Ss. 860-862 repealed (with effect in accordance with Sch. 8 para. 10(5) of the amending Act) by Finance Act 2019 (c. 1), **Sch. 8 para. 10(1)**

### **F2 861 Treatment of postponed gain on subsequent realisation U.K.**

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#### Textual Amendments

- F2** Ss. 860-862 repealed (with effect in accordance with Sch. 8 para. 10(5) of the amending Act) by Finance Act 2019 (c. 1), **Sch. 8 para. 10(1)**

### **F2 862 Treatment of postponed gain in other cases U.K.**

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#### Textual Amendments

- F2** Ss. 860-862 repealed (with effect in accordance with Sch. 8 para. 10(5) of the amending Act) by Finance Act 2019 (c. 1), **Sch. 8 para. 10(1)**

### **863 Asset becoming chargeable intangible asset U.K.**

(1) This section applies if an asset becomes a chargeable intangible asset in relation to a company—

- (a) on the company becoming UK resident,
- (b) in the case of a company that is not UK resident, on the asset beginning to be held<sup>F3</sup>—

(i)] for the purposes of a trade carried on by the company in the United Kingdom through a permanent establishment,

[<sup>F4</sup>(ii) for the purposes of a trade carried on by the company of dealing in or developing UK land,

(iii) for the purposes of a UK property business carried on by the company, or

(iv) for the purposes of enabling the company to generate other UK property income (within the meaning given by section 5(6)),] or

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- (c) on the asset ceasing to be held for the purposes of a mutual trade or business.
- (2) This Part applies as if—
- (a) the company had acquired the asset immediately after it became a chargeable intangible asset in relation to the company, and
  - (b) had done so for its accounting value at that time.

[<sup>F5</sup>(3) But subsection (2)(b) is subject to section 863A.]

#### Textual Amendments

- F3** Words in s. 863(1)(b) renumbered as s. 863(1)(b)(i) (6.4.2020) by virtue of [Finance Act 2019 \(c. 1\)](#), [Sch. 5 paras. 27\(a\), 35](#) (with [Sch. 5 para. 36](#))
- F4** S. 863(1)(b)(ii)-(iv) inserted (6.4.2020) by [Finance Act 2019 \(c. 1\)](#), [Sch. 5 paras. 27\(b\), 35](#) (with [Sch. 5 para. 36](#))
- F5** S. 863(3) inserted (with effect in accordance with Sch. 8 para. 12(4) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [Sch. 8 para. 12\(2\)](#)

#### [<sup>F6</sup>863A Asset becoming chargeable intangible asset: EU exit charge **U.K.**

- (1) This section applies if—
- (a) an asset becomes a chargeable intangible asset in relation to a company by reason of an event specified in section 863(1)(a) or (b), and
  - (b) on the occurrence of that event the company becomes subject to an EU exit charge in respect of the asset.
- (2) This Part applies as if the company had acquired the asset for its market value at the time it became a chargeable intangible asset in relation to the company.
- (3) “EU exit charge” means a charge to tax under the law of a member State in accordance with Article 5(1) of Directive (EU) 2016/1164 of the European Parliament and of the Council of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.]

#### Textual Amendments

- F6** S. 863A inserted (with effect in accordance with Sch. 8 para. 12(4) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [Sch. 8 para. 12\(3\)](#)

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)