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## SCHEDULES

### SCHEDULE 1

#### MINOR AND CONSEQUENTIAL AMENDMENTS

#### PART 2

#### OTHER ENACTMENTS

##### *Capital Allowances Act 2001 (c. 2)*

- 474 The Capital Allowances Act 2001 is amended as follows.
- 475 In section 2(4) (general means of giving effect to capital allowances) for “section 6 of ICTA” substitute “ Part 2 of CTA 2009 (see section 2(2) of that Act) ”.
- 476 In section 15(1)(f) (qualifying activities) for “section 55(2) of ICTA” substitute “ section 39(4) of CTA 2009 ”.
- 477 In section 16 (ordinary property business) omit “, or a Schedule A business,”.
- 478 (1) Amend section 17 (furnished holiday lettings) as follows.
- (2) In subsection (1) omit “, or a Schedule A business,”.
- (3) In subsection (3), in the second sentence for “has the meaning given by section 504 of ICTA” substitute “ has the same meaning as it has for the purposes of Chapter 6 of Part 4 of CTA 2009 (see section 265) ”.
- 479 (1) Amend section 18 (managing investments of a company with investment business) as follows.
- (2) In subsection (1) for “section 75 of ICTA” substitute “ section 1219 of CTA 2009 ”.
- (3) In subsection (2) for “section 130 of ICTA” substitute “ section 1218 of CTA 2009 ”.
- 480 In section 28(2B)(a) (thermal insulation of buildings) for “section 31ZA of ICTA” substitute “ section 251 of CTA 2009 ”.
- 481 In section 38 (production animals etc) for paragraphs (a) and (b) substitute—
- “(a) animals or other creatures to which section 30 of ITTOIA 2005 or section 50 of CTA 2009 (animals kept for trade purposes) applies,
- (b) animals or other creatures to which Chapter 8 of Part 2 of ITTOIA 2005 or Chapter 8 of Part 3 of CTA 2009 (herd basis rules) applies,
- or
- (c) shares in animals or creatures such as are mentioned in paragraph (a) or (b).”
- 482 (1) Amend section 63 (cases in which disposal value is nil) as follows.
- (2) In subsection (2)(c) for “section 84 of ICTA” substitute “ section 106 of CTA 2009 ”.

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- (3) In subsection (4) for “sections 83A(4) and 84(4) of ICTA” substitute “ section 108 of CTA 2009 ”.
- 483 In section 105(3)(a) (“profits chargeable to tax”) for “section 830(4) of ICTA” substitute “ section 1313(2) of CTA 2009 ”.
- 484 (1) Amend section 106 (the designated period) as follows.
- (2) In subsection (3)(b) for the words from “each of which” to the end substitute “ each of which there was a change in the persons carrying on the qualifying activity in relation to which Condition A or Condition B was met. ”
- (3) After subsection (3) insert—
- “(3A) Condition A is that—
- (a) at least one person who carried on the qualifying activity immediately before or immediately after the change was within the charge to income tax in respect of that activity, and
- (b) at least one person who carried on the qualifying activity before the change continued to carry it on after the change.
- (3B) Condition B is that—
- (a) the qualifying activity was carried on in partnership both immediately before and immediately after the change,
- (b) a company that was within the charge to corporation tax in respect of the activity carried it on immediately before or immediately after the change, and
- (c) at least one company which carried the activity on before the change continued to carry it on after the change.”
- 485 (1) Amend section 108 (effect of disposal to connected person on overseas leasing pool) as follows.
- (2) In subsection (1)(b) for the words from “is one” to “reconstructions)” substitute “does not occur on the occasion of a change in the persons carrying on the qualifying activity—
- (i) which falls within section 343(1) of ICTA (company reconstructions without change of ownership), or
- (ii) in relation to which Condition A or Condition B is met”.
- (3) After subsection (1) insert—
- “(1A) Condition A is that—
- (a) at least one person who carried on the qualifying activity immediately before or immediately after the change was within the charge to income tax in respect of that activity, and
- (b) at least one person who carried on the qualifying activity before the change continued to carry it on after the change.
- (1B) Condition B is that—
- (a) the qualifying activity was carried on in partnership both immediately before and immediately after the change,

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- (b) a company that was within the charge to corporation tax in respect of the activity carried it on immediately before or immediately after the change, and
- (c) at least one company which carried the activity on before the change continued to carry it on after the change.”

486 (1) Amend section 112 (excess allowances: connected persons) as follows.

(2) In subsection (1) for paragraph (b) and the “and” immediately after that paragraph substitute—

- “(b) the transaction was not effected (or, if more than one, none of the transactions was effected) on the occasion of a change in the persons carrying on the qualifying activity—
- (i) which falls within section 343(1) of ICTA (company reconstructions without change of ownership), or
  - (ii) in relation to which Condition A or Condition B is met, and”.

(3) After subsection (1) insert—

“(1A) Condition A is that—

- (a) at least one person who carried on the qualifying activity immediately before or immediately after the change was within the charge to income tax in respect of that activity, and
- (b) at least one person who carried on the qualifying activity before the change continued to carry it on after the change.

(1B) Condition B is that—

- (a) the qualifying activity was carried on in partnership both immediately before and immediately after the change,
- (b) a company that was within the charge to corporation tax in respect of the activity carried it on immediately before or immediately after the change, and
- (c) at least one company which carried the activity on before the change continued to carry it on after the change.”

487 (1) Amend section 115 (prohibited allowances: connected persons) as follows.

(2) In subsection (1) for paragraph (c) and the “and” immediately after that paragraph substitute—

- “(c) the transaction was not effected (or, if more than one, none of the transactions was effected) on the occasion of a change in the persons carrying on the qualifying activity—
- (i) which falls within section 343(1) of ICTA (company reconstructions without change of ownership), or
  - (ii) in relation to which Condition A or Condition B is met, and”.

(3) After subsection (1) insert—

“(1A) Condition A is that—

- (a) at least one person who carried on the qualifying activity immediately before or immediately after the change was within the charge to income tax in respect of that activity, and

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- (b) at least one person who carried on the qualifying activity before the change continued to carry it on after the change.

(1B) Condition B is that—

- (a) the qualifying activity was carried on in partnership both immediately before and immediately after the change,
- (b) a company that was within the charge to corporation tax in respect of the activity carried it on immediately before or immediately after the change, and
- (c) at least one company which carried the activity on before the change continued to carry it on after the change.”

488 (1) Amend section 122 (short-term leasing by buyer, lessee, etc) as follows.

- (2) In subsection (2)(c) for the words from “on the occasion of each of which” to the end substitute “ on the occasion of each of which there was a change in the persons carrying on the qualifying activity in relation to which Condition A or B was met. ”

(3) After subsection (2) insert—

“(2A) Condition A is that—

- (a) at least one person who carried on the qualifying activity immediately before or immediately after the change was within the charge to income tax in respect of that activity, and
- (b) at least one person who carried on the qualifying activity before the change continued to carry it on after the change.

(2B) Condition B is that—

- (a) the qualifying activity was carried on in partnership both immediately before and immediately after the change,
- (b) a company that was within the charge to corporation tax in respect of the activity carried it on immediately before or immediately after the change, and
- (c) at least one company which carried the activity on before the change continued to carry it on after the change.”

489 (1) Amend section 125 (other qualifying purposes) as follows.

- (2) In subsection (3)(c) for the words from “on the occasion of each of which” to the end substitute “ on the occasion of each of which there was a change in the persons carrying on the qualifying activity in relation to which Condition A or B was met. ”

(3) After subsection (3) insert—

“(3A) Condition A is that—

- (a) at least one person who carried on the qualifying activity immediately before or immediately after the change was within the charge to income tax in respect of that activity, and
- (b) at least one person who carried on the qualifying activity before the change continued to carry it on after the change.

(3B) Condition B is that—

- (a) the qualifying activity was carried on in partnership both immediately before and immediately after the change,

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- (b) a company which was within the charge to corporation tax in respect of the activity carried it on immediately before or immediately after the change, and
  - (c) at least one company which carried the activity on before the change continued to carry it on after the change.”
- 490 In section 252 (mines, transport undertakings etc) for “section 55(2) of ICTA” substitute “ section 39(4) of CTA 2009 ”.
- 491 (1) Amend section 253 (companies with investment business) as follows.
  - (2) In subsection (2) for “section 75(4) of ICTA” substitute “ section 1233 of CTA 2009 ”.
  - (3) In subsection (4) for “Case I of Schedule D” substitute “ Part 3 of CTA 2009 ”.
  - (4) In subsection (6) for “section 75(4) of ICTA” substitute “ section 1233 of CTA 2009 ”.
- 492 (1) Amend section 256 (different giving effect rules for different categories of business) as follows.
  - (2) In subsection (2)(b) for the words from “amount” to the end substitute “ company as receiving for the chargeable period in question an amount which is equal to the amount of the charges (or parts of charges) and to which the charge to corporation tax on income applies ”.
  - (3) In subsection (4) for “under Case VI of Schedule D” substitute “ chargeable under section 436A of ICTA ”.
- 493 In section 257(2)(a) (supplementary) for “Case I” substitute “ life assurance trade ”.
- 494 In section 260(8) (special leasing: corporation tax (excess allowance)) for “section 6 of ICTA (charge to corporation tax etc)” substitute “ Part 2 of CTA 2009 (see section 2(2) of that Act) ”.
- 495 (1) Amend section 263 (qualifying activities carried on in partnership) as follows.
  - (2) For subsection (1)(c) substitute—
    - “(c) if the qualifying activity is a trade or property business, the condition in subsection (1A) or (1B) (whichever is appropriate) is met.”
  - (3) For subsection (1A) substitute—
    - “(1A) For income tax purposes, the condition is that a person carrying on the trade or property business immediately before the change continues to carry it on after the change.
    - (1B) For corporation tax purposes, the condition is that a company carrying on the trade or property business in partnership immediately before the change continues to carry it on in partnership after the change.”
- 496 (1) Amend section 265 (successions: general) as follows.
  - (2) For subsection (1)(b) substitute—
    - “(b) if the qualifying activity is a trade or property business, the condition in subsection (1A) or (1B) (whichever is appropriate) is met.”
  - (3) For subsection (1A) substitute—

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- “(1A) For income tax purposes, the condition is that no person carrying on the trade or property business immediately before the succession continues to carry it on after the succession.
- (1B) For corporation tax purposes, the condition is that no company carrying on the trade or property business in partnership immediately before the succession continues to carry it on in partnership after the succession.”
- 497 In section 282 (buildings outside the United Kingdom) for the words from “or that apply” to the end substitute “ or corporation tax purposes. ”
- 498 In section 291(3)(a) (supplementary provisions with respect to elections) for “section 38(1) to (4) and (6) of ICTA,” substitute “ sections 243 and 244 of CTA 2009, ”.
- 499 In section 326(1) (interpretation of section 325), in the definition of “premium” for paragraph (a) and the “or” immediately after it substitute—
- “(a) an amount brought into account as a receipt in calculating the profits of a property business under sections 217 to 221 of CTA 2009 that is calculated by reference to the sum, or”.
- 500 In section 331(1)(b) (meaning of “capital value”) for sub-paragraph (i) and the “or” immediately after it substitute—
- “(i) an amount brought into account as a receipt in calculating the profits of a property business under sections 217 to 221 of CTA 2009 that is calculated by reference to the sum, or”.
- 501 (1) Amend section 353 (lessors and licensors) as follows.
- (2) In subsection (2) omit “, or a Schedule A business,”.
- (3) In subsection (4) for “Schedule A business” substitute “ UK property business ”.
- 502 (1) Amend section 354 (buildings temporarily out of use) as follows.
- (2) In subsection (3), in the words after paragraph (b)—
- (a) for “section 105 of ICTA” substitute “ section 196 of CTA 2009 ”, and
- (b) for “section 103 or 104(1) of ICTA” substitute “ Chapter 15 of Part 3 of CTA 2009 ”.
- (3) In subsection (5) for “section 18 of ITTOIA 2005 or section 337(1) of ICTA” substitute “ section 577(2A) of this Act or section 18 of ITTOIA 2005 ”.
- 503 In section 390(1) (interpretation of section 389), in the definition of “premium” for paragraph (a) and the “or” immediately after it substitute—
- “(a) an amount brought into account as a receipt in calculating the profits of a UK property business under sections 217 to 221 of CTA 2009 that is calculated by reference to the sum, or”.
- 504 (1) Amend section 392 (UK property business and Schedule A business) as follows.
- (2) In subsection (2) omit “, or a Schedule A business,”.
- (3) In subsection (2A)—
- (a) omit the words from “is within” to “and he”, and
- (b) for “treating him as if he had been carrying on” substitute “ treating the person as having carried on ”.

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(4) Omit subsection (3).

(5) For the title substitute “ UK property businesses ”.

<sup>F1</sup>505 .....

**Textual Amendments**

**F1** Sch. 1 paras. 505-507 repealed (with effect in accordance with Sch. 39 para. 40 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 39(c)** (with Sch. 39 paras. 41, 42)

<sup>F1</sup>506 .....

**Textual Amendments**

**F1** Sch. 1 paras. 505-507 repealed (with effect in accordance with Sch. 39 para. 40 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 39(c)** (with Sch. 39 paras. 41, 42)

<sup>F1</sup>507 .....

**Textual Amendments**

**F1** Sch. 1 paras. 505-507 repealed (with effect in accordance with Sch. 39 para. 40 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 39(c)** (with Sch. 39 paras. 41, 42)

508 (1) Amend section 406 (reduction where premium relief previously allowed) as follows.

(2) In subsection (1)(b) for “sections 87 and 87A of ICTA” substitute “ sections 62 to 67 of CTA 2009 ”.

(3) In subsection (2) for “sections 87 and 87A of ICTA” substitute “ sections 62 to 67 of CTA 2009 ”.

509 In section 454(1)(c) (qualifying expenditure) for “section 531(3)(a) of ICTA” substitute “ section 178 of CTA 2009 ”.

510 In section 455(4) (excluded expenditure) for “section 531(2) of ICTA” substitute “ section 178(3) of CTA 2009 ”.

511 In section 462(3) (disposal values) for “section 531(2) of ICTA” substitute “ section 178(2) of CTA 2009 ”.

512 In section 481(5)(b) (anti-avoidance: limit on qualifying expenditure) for “section 524 of ICTA” substitute “ section 912 of CTA 2009 ”.

513 In section 483(c) (meaning of “income from patents”) for “section 524 or 525 of ICTA” substitute “ section 912 or 918 of CTA 2009 ”.

514 In section 488(3)(a) (balancing allowances) for “section 18 of ITTOIA or section 337(1) of ICTA” substitute “ section 577(2A) of this Act or section 18 of ITTOIA 2005 ”.

515 (1) Amend section 529 (giving effect to allowances and charges) as follows.

(2) In subsection (1) omit “, or a Schedule A business,”.

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- (3) In subsection (1A)—
- (a) omit the words from “is within” to “and he”, and
  - (b) for “treating him as if he had been carrying on” substitute “ treating the person as having carried on ”.
- (4) Omit subsection (2).
- 516 In section 536(5)(a)(v) (contributions not made by public bodies and not eligible for tax relief) for “section 55(2) of ICTA” substitute “ section 39(5) of CTA 2009 ”.
- 517 In section 545(4) (investment assets) for “Case I of Schedule D” substitute “ section 35 of CTA 2009 (charge on trade profits) ”.
- 518 (1) Amend section 558 (effect of partnership changes) as follows.
- (2) For subsection (1)(c) substitute—
    - “(c) the condition in subsection (1A) or (1B) (whichever is appropriate) is met.”
  - (3) After subsection (1) insert—
    - “(1A) For income tax purposes, the condition is that a person carrying on the relevant activity immediately before the change continues to carry it on after the change.
    - (1B) For corporation tax purposes, the condition is that a company carrying on the relevant activity in partnership immediately before the change continues to carry it on in partnership after the change.”
- 519 (1) Amend section 559 (effect of successions) as follows.
- (2) For subsection (1)(b) substitute—
    - “(b) the condition in subsection (1A) or (1B) (whichever is appropriate) is met.”
  - (3) For subsection (1A) substitute—
    - “(1A) For income tax purposes, the condition is that no person carrying on the relevant activity immediately before the succession continues to carry it on after the succession.
    - (1B) For corporation tax purposes, the condition is that no company carrying on the relevant activity in partnership immediately before the succession continues to carry it on in partnership after the succession.”
- 520 (1) Amend section 577 (other definitions) as follows.
- (2) In subsection (1), in the definition of “property business” omit “, a Schedule A business”.
  - (3) After subsection (2) insert—
    - “(2A) A person's ceasing to carry on a trade, property business, profession or vocation is treated for the purposes of this Act as the permanent discontinuance of the trade, property business, profession or vocation, whether or not it is in fact discontinued.



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(2B) For income tax purposes, a change in the persons carrying on a trade, property business, profession or vocation is not treated as the permanent discontinuance of the trade, property business, profession or vocation if a person carrying it on immediately before the change continues to carry it on after the change.

(2C) For corporation tax purposes, a change in the persons carrying on a trade or property business is not treated as the permanent discontinuance of the trade or property business if a company carrying it on in partnership immediately before the change continues to carry it on in partnership after the change.”

F2521 .....

**Textual Amendments**

**F2** Sch. 1 para. 521 repealed (with effect in accordance with s. 33(5) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [s. 33\(2\)\(c\)\(v\)](#)

522 (1) Amend Schedule 1 (abbreviations and defined expressions) as follows.

(2) In Part 1 at the end insert—

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“CTA 2009

The Corporation Tax Act 2009”

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(3) In Part 2—

- (a) in the entry for “accounting period”, in the second column, for “section 12 of ICTA” substitute “ Chapter 2 of Part 2 of CTA 2009 ”,
- (b) after the entry for “car (in Part 2)” insert—

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“the charge to corporation tax on income	section 2(3) of CTA 2009 (as applied by section 834(1) of ICTA)”,
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- (c) in the entry for “overseas property business”, for the words in the second column substitute “ Chapter 2 of Part 3 of ITTOIA 2005 (as applied by section 989 of ITA 2007) and Chapter 2 of Part 4 of CTA 2009 (as applied by section 834B of ICTA) ”,
- (d) omit the entry for “Schedule A business”, and
- (e) in the entry for “UK property business”, in the second column, at the end insert “ and Chapter 2 of Part 4 of CTA 2009 (as applied by section 834B of ICTA) ”.

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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](#)