



Corporation Tax Act 2009

2009 CHAPTER 4

PART 8

INTANGIBLE FIXED ASSETS

CHAPTER 13

TRANSACTIONS BETWEEN RELATED PARTIES

Transfers treated as being at market value

845 Transfer between company and related party treated as at market value

- (1) The basic rule is that a transfer of an intangible asset—
 - (a) from a company to a related party, or
 - (b) to a company from a related party,is treated for all purposes of the Taxes Acts as being at market value (as respects both the company and the related party) if condition A or B is met.
- (2) Condition A is that the asset is a chargeable intangible asset in relation to the transferor immediately before the transfer.
- (3) Condition B is that the asset is a chargeable intangible asset in relation to the transferee immediately after the transfer.
- (4) That rule is subject to—
 - (a) section 846 (transfers not at arm's length),
 - (b) section 847 (transfers involving other taxes),
 - (c) section 848 (tax-neutral transfers),^{F1}...
 - [^{F2}(ca) section 848A (assets held for purposes of exempt foreign permanent establishments),^{F3}...]
 - (d) section 849 (transfers involving gifts of business assets),^{F4}[^{F5}...

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- (e) section 849A (disincorporation relief: transfer values for post-FA 2002 goodwill)]^{F6}, and
- (f) sections 900E and 900F (special rules in respect of assets that were pre-FA 2002 assets etc)].

[^{F7}(4A) References in subsection (1) to a related party in relation to a company are to be read as including references to a person in circumstances where the participation condition is met as between that person and the company.

(4B) References in subsection (4A) to a company include a firm in a case where, for section 1259 purposes, references in subsection (1) to a company are read as references to the firm.

(4C) Section 148 of TIOPA 2010 (when the participation condition is met) applies for the purposes of subsection (4A) as it applies for the purposes of section 147(1)(b) of TIOPA 2010.

(4D) Subsection (4E) applies where—

- (a) a gain on the disposal of an intangible asset by a firm is a gain to be taken into account for section 1259 purposes, and
- (b) for those purposes, references in subsection (1) to a company are read as references to the firm.

(4E) Where this subsection applies, the gain referred to in subsection (4D)(a) is to be treated for the purposes of this section as if it were a chargeable realisation gain for the purposes of section 741(1) (meaning of “chargeable intangible asset”).

(4F) In this section, “section 1259 purposes” means the purposes of determining under section 1259 the amount of profits or losses to be allocated to a partner in a firm.]

(5) In subsection (1)—

“market value” means the price the asset might reasonably be expected to fetch on a sale in the open market, and

“the Taxes Acts” means the enactments relating to income tax, corporation tax or chargeable gains.

Textual Amendments

- F1** Word in s. 845(4)(c) omitted (19.7.2011) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 13 paras. 7\(a\)](#), 31
- F2** S. 845(4)(ca) inserted (19.7.2011) by [Finance Act 2011 \(c. 11\)](#), [Sch. 13 paras. 7\(b\)](#), 31
- F3** Word in s. 845(4)(ca) omitted (with effect in accordance with [s. 61\(6\)](#) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [s. 61\(4\)\(a\)](#)
- F4** Word in s. 845(4)(d) omitted (with effect in accordance with [s. 31\(14\)\(15\)](#) of the amending Act) by virtue of [Finance Act 2020 \(c. 14\)](#), [s. 31\(3\)\(a\)](#)
- F5** S. 845(4)(e) and word inserted (with effect in accordance with [s. 61\(6\)](#) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [s. 61\(4\)\(b\)](#)
- F6** S. 845(4)(f) and word inserted (with effect in accordance with [s. 31\(14\)\(15\)](#) of the amending Act) by [Finance Act 2020 \(c. 14\)](#), [s. 31\(3\)\(b\)](#)
- F7** S. 845(4A)-(4F) inserted (with effect in accordance with [s. 53\(2\)](#) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 53\(1\)](#)

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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](#)