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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
([/government/organisations/hm-revenue-customs](#))

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## CIRD40720 - Intangible assets: groups: degrouping: unpaid degrouping charge: recovery from others: candidates CTA09/PART8/S795 - alternative collection rights

S795 provides for alternative rights of recovery of the tax on a degrouping charge (defined in [CIRD40730 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40730\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40730)) where a company ('the taxpayer company') is so liable and all or part

of the CT for the accounting period in which the gain accrued is not paid within six months of the tax becoming payable by virtue of an assessment (including a self assessment). In these circumstances a notice requiring payment of the unpaid tax up to the amount of the tax on the degrouping charge may be served upon:

- the principal company of the group at the relevant time (see CIRD40730 for definitions); note that this company need not be resident, although practical concerns may indicate that an alternative choice of company is appropriate in these circumstances; and
- any other company which at any time in the twelve months ending with the relevant time was a member of the group and owned the asset disposed of or any part of it; if the asset is an interest in or right over another asset, the provision extends to any part of either asset.

If the taxpayer company was a non-resident, but at the relevant time was trading in the UK through a permanent establishment, a notice requiring payment of the unpaid tax up to the amount of the tax on the degrouping charge may also be served upon any person who is, or was within the period of twelve months up to the relevant time, a controlling director of:

- the taxpayer company; or
- of a company which, within that twelve month period, had control of the taxpayer company.

(FA03/S153 (1) substituted the words 'permanent establishment' for 'branch or agency' effective for all accounting periods beginning on or after 1 January 2003.)

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