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HMRC internal manual

Corporate Intangibles Research and Development Manual

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

Published 11 March 2016

Updated: 10 September 2025 - [See all updates](#)

[Back to contents](#) > [CIRD10000](#) > [CIRD42000](#)

CIRD42030 - Intangible assets: company reorganisations: transfer of UK trade between EU residents: general

CTA09/PART8/S819

S819 corresponds to TCGA92/S140A - S140B (see CG45705 onwards) that give effect to some of the provisions in the EC Mergers Directive (No 90/434/EEC), dealing with cross-border business reorganisations.

S819 provides that where all the following conditions are met:

- the whole or part of a UK trade is transferred to a EU company (one incorporated in a member state) which is also resident in a member state (see below);
- the transferor is another EU company resident in a different EU state from the state in which the transferee company is resident;
- the transferor was carrying on the trade prior to the transfer;
- the consideration for the transfer consists solely of shares or securities in the transferee company; and
- the three further conditions described in [CIRD42035 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42035\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42035) are satisfied,

then any intangible fixed assets that are included in the transfer can be transferred on a tax neutral basis ([CIRD40300 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40300\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird40300)).

A company is regarded as resident in a EU member state if it is within a charge to tax under the laws of that state under which the company is regarded as resident for charging purposes. But it is not treated as resident if the member state in question has entered into any double taxation relief arrangements under which the company is regarded as resident in a non-member state.

For transfers of businesses by formation of a Societas Europaea (SE) see [CIRD42080 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42080\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42080).

← **Previous page**
 (/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42025)

→ **Next page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird42035)



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