

Transfers of assets, other than trading stock, within group. CTA76 s130 617.—(1) Notwithstanding any provision in the Capital Gains Tax Acts fixing the amount of the consideration deemed to be received on a disposal or given on an acquisition, where a member of a group of companies disposes of an asset to another member of the group, both members shall, except where provided by subsections (2) and (3), be treated, in so far as relates to corporation tax on chargeable gains, as if the asset acquired by the member to whom the disposal is made were acquired for a consideration of such amount as would secure that on the other member's disposal neither a gain nor a loss would accrue to that other member; but, where it is assumed for any purpose that a member of a group of companies has sold or acquired an asset, it shall be assumed also that it was not a sale to or acquisition from another member of the group.

(2) Subsection (1) shall not apply where the disposal is—

(a) a disposal of a debt from a member of a group of companies effected by satisfying the debt or part of it, or

(b) a disposal of redeemable shares in a company on the occasion of their redemption,

and the reference in that subsection to a member of a group of companies disposing of an asset shall not apply to anything which under section 583 is to be treated as a disposal of an interest in shares in a company in consideration for a capital distribution (within the meaning of that section) from that company, whether or not involving a reduction of capital.

(3) For the purposes of subsection (1), in so far as the consideration for the disposal consists of money or money's worth by means of compensation for any kind of damage or injury to assets, or for the destruction or dissipation of assets or for anything which depreciates or might depreciate an asset, the disposal shall be treated as being to the person who, whether as an insurer or otherwise, ultimately bears the burden of furnishing that consideration.