

Tax treatment of profits, losses and capital gains arising from activities of a European Economic Interest Grouping (EEIG). FA90 s29(1), (2), (5) and (6) 1014.—(1) In this section, “grouping” means a European Economic Interest Grouping formed on the terms, in the manner and with the effects laid down in—

(a) Council Regulation (EEC) No 2137/85 of 25 July 1985<sup>1</sup> on the European Economic Interest Grouping (EEIG), and

(b) the European Communities (European Economic Interest Groupings) Regulations, 1989<sup>2</sup> ,

and references to members of a grouping shall be construed accordingly.

(2) Notwithstanding anything in the Tax Acts or in the Capital Gains Tax Acts, a grouping shall be neither—

(a) charged to income tax, corporation tax or capital gains tax, as the case may be, in respect of profits or gains or chargeable gains arising to it, nor

(b) entitled to relief for a loss sustained by it,

and any assessment required to be made on such profits or gains or chargeable gains, and any relief for a loss, shall as appropriate be made on and allowed to the members of a grouping in accordance with this section.

(3) This Part , 1010 (8) and 1013) and sections 30 and 913(7) shall apply with any necessary modifications to the activities of a grouping in the same manner as they apply to a trade or profession carried on by 2 or more persons in partnership.

(4) In particular but without prejudice to the generality of subsection (3), the provisions mentioned in that subsection shall in their application for the purposes of this section apply as if—

(a) references to a partnership agreement were references to the contract forming or providing for the formation of a grouping,

(b) references to a partner were references to a member of a grouping, and

(c) anything done or required to be done by the precedent acting partner was done or required to be done by the grouping.

<sup>1</sup>O.J. L 119, 31.07.1985 p.1.