

Companies chargeable to capital gains tax in respect of chargeable gains accruing on relevant disposals. FA82 s36(4) to (6); FA92 s68(a) 649.—(1) Notwithstanding any provision to the contrary in the Corporation Tax Acts, a company shall not be chargeable to corporation tax in respect of chargeable gains accruing to it on relevant disposals, and accordingly—

(a) such gains shall not be regarded as profits of the company for the purposes of corporation tax, and

(b) the company shall be chargeable to capital gains tax under the Capital Gains Tax Acts in respect of those gains.

(2) Sections 617 and 621 to 626 shall apply with any necessary modifications in relation to capital gains tax to which a company is chargeable on chargeable gains accruing to the company on a relevant disposal as they apply in relation to corporation tax on chargeable gains, and references in those sections to corporation tax shall be construed as including references to capital gains tax.

(3) (a) Where a company which is or has been a member of a group of companies ) makes a relevant disposal of an asset which, as a result of a disposal which was not a relevant disposal, the company had acquired from another member of that group at a time when both were members of the group, the amount of the chargeable gain accruing on the relevant disposal and the capital gains tax on that gain shall be computed as if all members of the group for the time being were the same person and as if the acquisition or provision of the asset by the group, so taken as a single person, had been the acquisition or provision of the asset by the member disposing of the asset.

(b) Notwithstanding paragraph (a), where under section 618 (2) or 623 a member of the group (in this paragraph referred to as “the first-mentioned member”) had been treated as having acquired or reacquired the asset at a time later than the original acquisition or provision of the asset by the first-mentioned member or by another member of the group, as the case may be, paragraph (a) shall apply as if the reference in that paragraph to the acquisition or provision of the asset by the group were a reference to its acquisition or reacquisition so treated as having been made by the first-mentioned member.