

SCHEDULE 26 Replacement of Harbour Authorities by Port Companies

Section 842.

FA97 Sch5

Interpretation

1. In this Schedule—

“relevant port company” means a company formed pursuant to section 7 or 87 of the Harbours Act, 1996 ;

“relevant transfer” means—

(a) the vesting in a relevant port company of assets in accordance with section 96 of the Harbours Act, 1996 , and

(b) the transfer to a relevant port company of rights and liabilities in accordance with section 97 of that Act.

Capital allowances

2. (1) This paragraph shall apply for the purposes of—

(a) allowances and charges provided for in Part 9 , section 670, Chapter 1 of Part 29 and sections 765 and 769, or any other provision of the Tax Acts relating to the making of allowances or charges under or in accordance with that Part or Chapter or those sections, and

(b) allowances or charges provided for by sections 307 and 308.

(2) The relevant transfer shall not be treated as giving rise to any allowance or charge under any of the provisions referred to in subparagraph (1).

(3) There shall be made to or on the relevant port company in accordance with sections 307 and 308 all such allowances and charges in respect of an asset acquired by it in the course of a relevant transfer as would have been made if—

(a) allowances in relation to the asset made to the person from whom the asset was acquired had been made to the relevant port company, and

(b) everything done to or by that person in relation to the asset had been done to or by the relevant port company.

Capital gains

3. (1) This paragraph shall apply for the purposes of the Capital Gains Tax Acts, and of the Corporation Tax Acts in so far as those Acts relate to chargeable gains.

(2) The disposal of an asset by a person in the course of a relevant transfer shall be deemed to be for a consideration of such amount as would secure that on the disposal neither a gain nor a loss would accrue to the person.

(3) Where subparagraph (2) has applied in relation to a disposal of an asset, then, in relation to any subsequent disposal of the asset by the relevant port company, the relevant port company shall be treated as if the acquisition or provision of the asset by the person from whom it was acquired by the relevant port company was that company's acquisition or provision of the asset.

(4) For the purposes of section 597, the relevant port company and the person from whom an asset was acquired in the course of a relevant transfer shall be treated as if they were the same person.