HMRC - CG58045 - Example

TCGA92/S279B(6)

If the criteria (e.g. profit targets) for an earn-out payment are not met, the vendor might not receive any deferred consideration. This will result in an allowable loss on the disposal of the right to receive unascertainable deferred consideration - the `notional security’ for TCGA92/S138A, see the example in

TCGA92/Ss279A to 279D allow losses on disposals of rights to receive unascertainable deferred consideration to be treated as if they arose in a year before the disposal occurred in certain circumstance (see

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