

1 Transfers of trade to obtain terminal loss relief

- (1) In section 393A of ICTA (set off of losses against profits of same or earlier accounting period), after subsection (2D) insert—
 - “(2E) But subsection (2A) above does not apply by reason of a company ceasing to carry on a trade if—
 - (a) on the company ceasing to carry on the trade, any of the activities of the trade begin to be carried on by a person who is not (or by persons any or all of whom are not) within the charge to corporation tax, and
 - (b) the company’s ceasing to carry on the trade is part of a scheme or arrangement the main purpose, or one of the main purposes, of which is to secure that subsection (2A) above applies to a loss by reason of the cessation.”
- (2) The amendment made by subsection (1) has effect in relation to cessations of a trade on or after 21 May 2009.