

SCHEDULES

SCHEDULE 8

CORPORATION TAX EXIT CHARGES

PART 3

TREATMENT OF ASSETS SUBJECT TO EU EXIT CHARGES

- 11 (1) After section 184I of TCGA 1992 insert—

“Assets subject to EU exit charges

184J Asset subject to EU exit charge on becoming chargeable asset

- (1) This section applies if—
- (a) an asset becomes a chargeable asset in relation to a company by reason of an event specified in subsection (2), and
 - (b) on the occurrence of that event the company becomes subject to an EU exit charge in relation to the asset.
- (2) The events are—
- (a) the company becoming resident in the United Kingdom, and
 - (b) in the case of a company that is not resident in the United Kingdom, the asset beginning to be held for the purposes of a trade carried on by the company in the United Kingdom through a permanent establishment.
- (3) The company is to be treated for the purposes of this Act as if it had acquired the asset for its market value at the time it became a chargeable asset in relation to the company.
- (4) For the purposes of this section an asset is a “chargeable asset” in relation to a company at any time if any gain on its disposal by the company at that time would be chargeable to corporation tax.
- (5) “EU exit charge” means a charge to tax under the law of a member State in accordance with Article 5(1) of [Directive \(EU\) 2016/1164](#) of the European Parliament and of the Council of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.”

- (2) The amendment made by this paragraph has effect in relation to assets that become chargeable assets on or after 1 January 2020.

- 12 (1) Part 8 of CTA 2009 (intangible fixed assets) is amended as follows.

Status: This is the original version (as it was originally enacted).

(2) In section 863 (asset becoming chargeable intangible asset) after subsection (2) insert—

“(3) But subsection (2)(b) is subject to section 863A.”

(3) After section 863 insert—

“863A Asset becoming chargeable intangible asset: EU exit charge

(1) This section applies if—

- (a) an asset becomes a chargeable intangible asset in relation to a company by reason of an event specified in section 863(1)(a) or (b), and
- (b) on the occurrence of that event the company becomes subject to an EU exit charge in respect of the asset.

(2) This Part applies as if the company had acquired the asset for its market value at the time it became a chargeable intangible asset in relation to the company.

(3) “EU exit charge” means a charge to tax under the law of a member State in accordance with Article 5(1) of [Directive \(EU\) 2016/1164](#) of the European Parliament and of the Council of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.”

(4) The amendments made by this paragraph have effect in relation to assets that become chargeable intangible assets on or after 1 January 2020.