

Notes for Guidance - Taxes Consolidation Act 1997

Finance Act 2020 edition

Part 21

Mergers, Divisions, Transfers of Assets and Exchanges of Shares Concerning Companies of Different Member States

December 2020



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Part 21 Mergers, Divisions, Transfers of Assets and Exchanges of Shares Concerning Companies of Different Member States

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PART 21 MERGERS, DIVISIONS, TRANSFERS OF ASSETS AND EXCHANGES OF SHARES CONCERNING COMPANIES OF DIFFERENT MEMBER STATES

CHAPTER 1

Mergers, divisions, transfers of assets and exchanges of shares concerning companies of different Member States

Overview

Chapter 1 of this Part implements the EU Directive of 19 October 2009 (2009/133/EC) (which replaces Council Directive 90/434/EEC of 23 July 1990) on cross-border mergers, divisions, partial divisions, transfers of assets and exchanges of share between companies from different Member States. The main purpose of the Directive is to provide tax neutrality in relation to cross-border mergers, divisions, transfers of assets and exchanges of shares; however it makes similar provision in relation to the transfer of the registered office of an SE or SCE between Member States.

Because it is generally not possible under existing EU or domestic company law for cross-border mergers and divisions (or partial divisions) of the type envisaged in the Directive to take place, relief is not specifically provided in respect of such transactions. However, **Chapter 1 of Part 21** gives the Revenue Commissioners general authority to grant the reliefs provided by the Directive in respect of any parts of the Directive to which effect is not given by specific measures (**section 637**).

Chapter 4 of Part 19 provides the reliefs required by the Directive in relation to exchanges of shares. **Part 21** specifically provides relief for transfers of assets. The situations covered are —

- the transfer of a trading operation in Ireland in return for securities in the company which takes over the trading operation (**section 631**),
- the transfer of assets by a company to its parent company (**section 632**), and
- the transfer by an Irish company of a foreign branch in return for securities in the receiving company (**section 634**).

Chapter 1 of this Part also extends to development land the reliefs available on amalgamation or reconstruction of companies (**section 633**).

630 Interpretation (Part 21)

A number of words and phrases are defined for the purposes of **Chapter 1 of Part 21**, including:

“bilateral agreement” is a double taxation treaty.

“company” is a company from a Member State.

“company from a Member State” adopts the meaning set out in the Directive. This definition clarifies the meaning of “company”. Under the Directive a company must —

- take one of the forms listed in the annex to the Directive,
- be tax resident in a Member State and not be tax resident outside of the EU, and
- be liable to one of the taxes specified in Article 3 of the Directive.

“the Directive” means Council Directive 2009/133/EC of 19 October 2009, as amended,

on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States and to the transfer of the registered office of an SE or SCE between Member States.

“receiving company” and “transferring company” is, respectively, the company receiving assets or transferring assets in the course of a transfer.

“SE Regulation” means Council Regulation (EC) No. 2157/2001 of 8 October 2001, on the Statute for a European Company (SE).

“SCE Regulation” means Council Regulation (EC) No. 1435/2003 of 22 July 2003, on the Statute for a European Cooperative Society (SCE).

“transfer” is the transfer by a company of the whole or part of a trade to another company in return for securities in that other company.

631 Transfer of assets generally

Summary

This section provides relief where a company transfers a trading operation carried on in the State to another company in return for securities in the second company. Such a transaction does not give rise to a corporation tax charge or, where appropriate, a capital gains tax charge, or to a balancing allowance or balancing charge in relation to capital allowances on any of the assets transferred.

The company which takes over the trading operation is regarded as having acquired the assets at their original cost to the transferring company and as having received any allowances that the transferring company received.

In order to ensure that the provisions are only applied to genuine transactions, the section provides that where the shares acquired in consideration for the trading operation are sold within 6 years, the cost of those shares for capital gains tax purposes is to be taken as the original cost of the assets transferred.

Details

The measures apply where a company transfers the whole of a trade carried on by it in the State to another company in return for the issue to the company of shares in that other company. In order to obtain relief both companies must be from the EU and the trade must be carried on within the State. In addition, the assets must be taken into use for trade purposes by the receiving company. **(1)(a)**

While the Directive obliges the reliefs to be given in the case of transactions which involve companies from two Member States, the reliefs are extended to transactions involving two companies from the EU. This means that transactions between two Irish companies are covered by the measure.

Example

1. An Irish company transfers its trade to a French company in return for securities in the French Company and the French company carries on the trade in the State through a branch or agency.
2. A French company which carries on a trade in the State through a branch or agency transfers the trade to an Italian company in return for securities in that Italian company and the Italian company carries on that trade in the State through a branch or agency.
3. An Irish company transfers its trade to another Irish company in return for shares in that other Irish company and the other Irish company carries on the trade.

The reliefs also apply where a company transfers a part of its trade.

The rules to be applied for capital allowances purposes are —

- the disposal of the assets in the course of the transfer does not give rise to a balancing allowance or balancing charge, and (2)(a)
- the company receiving the assets gets the allowances which the receiving company would have got if it had continued to carry on the trade and use the assets for the trade. When the receiving company eventually sells the asset, it is to be subject to a balancing charge or allowance that would have arisen if all allowances made to the transferring company and all things done to or by that company relating to the asset had been made to or done to or by the receiving company. (2)(b)

Priority is given to *section 400* where both this section and *section 400* apply to a transaction. *Section 400* applies to provide similar relief where a trade carried on by a company within the charge to Irish corporation tax becomes carried on by another company within that charge, provided that the trade (or a 75 per cent interest in it) is owned by the same persons before and after the transaction. If both sections apply to a transaction, *section 400* applies to it and this section does not. (2)(c)

Special capital gains tax rules are applied to a transfer. The transactions would, under normal capital gains tax rules, give rise to a charge to tax on the disposal of the assets. As provided for in the Directive that gain is not to be charged but the asset is taken over by the receiving company at its original cost to the transferring company. The specific rules are — (3)

- the transfer is not to be treated as a disposal for capital gains tax purposes, and
- the receiving company is to be treated as having acquired the assets at the time and for the consideration at which they were acquired by the transferring company and as if all things done to or by the transferring company relating to the assets had been done to or by it. This means that the receiving company is taxed on the full gain on the asset by taking into account the original cost of the assets to the transferring company. Any capital allowances made, including capital allowances made to the transferring company, are taken into account in calculating a gain or loss.

Where the securities in the receiving company given to the transferring company in consideration for the transfer of the assets are sold by the transferring company within a period of 6 years after the transfer, the gain on disposal of the securities, referred to as “new assets”, is effectively calculated by comparing the disposal proceeds with the original cost of the transferred assets. This is achieved by apportioning to the securities in the receiving company the non-taxable gain arising to the transferring company. (4)(a)

The amount allowable on disposal of the shares, being the market value of the assets transferred, is to be reduced by the amount apportioned. If the securities are of different types the apportionment is to be carried out on the basis of the value of the different types at the time they were acquired by the transferring company.

If the shares are not disposed of until after the end of the 6 year period, the cost of the shares is taken to be the market value of the assets given on the transfer. (4)(b)

The reliefs are not to apply in certain circumstances. These are where immediately after the time of the transfer —

- the assets are not used by the receiving company for the purpose of a trade carried on by it in the State, (5)(a)(i)
- the receiving company would not be chargeable to tax on a disposal by it of the assets concerned. (The reason for this provision is that if Ireland’s taxing right in respect of a gain on disposal of the assets is lost, then a gain should be taxed at the time of transfer. The purpose of the Directive was to postpone a gain while at the same time protecting the taxing rights of Member States), (5)(a)(ii)

- the receiving company would not be liable to tax in respect of gains on assets, such as aircraft and shipping which are accorded special treatment under double taxation treaties (under double taxation treaties, a provision similar to that in the OECD Model Agreement is normally provided). The article concerned provides that profits from the operation of ships or aircraft in international traffic are to be taxed in the State in which the place of effective management is situated, (5)(a) (iii)
- where the receiving company and the transferring company jointly elect that the reliefs are not to apply (the election must be in writing and should be made to the inspector at the time at which the transferring company's return is required to be made for the accounting period in which the transfer takes place). (5)(b)

632 Transfer of assets by company to its parent company

Summary

This section provides for the deferral of capital gains tax where a company transfers a trading asset to a company which holds all of the securities representing its capital. Such a deferral is required by the Mergers Directive.

Details

Where a company from any Member State disposes of a trading asset used by it for the purposes of a trade carried on by it in the State to a company from any Member State which holds all of the securities representing its capital and the latter company starts to use the asset for a trade carried on by it in the State, the asset is treated as disposed of for a consideration which results in no gain or no loss for capital gains tax purposes. In effect, any gain arising is taken over by the parent company and will be fully taxable when disposed of by that company. This is achieved by applying *sections 617 to 619* to such a scenario. (1)

The relief applies only where the parent company commences to use the assets concerned for the purposes of a trade carried on by it in the State. (1)(a)

Precedence to relief under *section 631* is given in a situation in which both *section 631* and this section apply. (1)(b)

The relief provided is not to be given in circumstances in which relief under *section 631* would be denied. These are — (2)

- where the assets are not taken into use by the parent company for the purposes of a trade carried on by it in the State,
- where for any reason the parent company would not be chargeable to capital gains tax on a disposal by it of the assets,
- where the company and the parent company make an election that the reliefs are not to apply.

633 Company reconstruction or amalgamation: transfer of development land

Summary

This section extends to development land the reliefs available in respect of other assets on a company reconstruction or amalgamation.

Details

Where a company transfers land to another company in connection with a scheme of reconstruction or amalgamation and the company would be entitled to the reliefs provided for by *section 615* but for the fact that the land is development land, the company is

entitled to have the transaction treated as giving rise to a no gain/no loss for capital gains tax purposes. In that case, the company acquiring the land is treated as having acquired it at the time and for the consideration at which it was originally acquired by the company making the disposal.

If the disposal takes place in the course of a transfer of a trade or part of a trade to which relief under *section 631* is available, relief is not to be given under this section.

This section provides relief for gains on the transfer of development land in the circumstances in which such relief would be due in respect of other assets. It only applies therefore where both companies are resident in the State.

Section 615 applies only for the purposes of corporation tax. *Section 78* provides that an amount representing chargeable gains arising to a company is to be included in its profits chargeable to corporation tax. Trading losses incurred by a company may be set off against its profits, including the amount representing chargeable gains. *Section 649* requires that gains on development land are not to be included in profits for corporation tax purposes but are instead to be charged to capital gains tax. In the circumstances, *section 631* does not apply to such development land gains. This section provides relief for development land gains similar to that available under *section 631* in respect of other assets.

633A Formation of SE or SCE by merger – leaving assets in the State

Summary

This section sets out rules covering a situation where an SE or SCE is formed by a merger and, following the formation, assets remain in the State. The section provides for tax neutrality to apply where the assets transferred to an SE in the course of a merger to form an SE remain chargeable to tax in the State following the merger.

Details

Qualifying assets

The meaning of a qualifying asset is set out. An asset will be regarded as a qualifying asset if the following conditions are met: (1)

- the asset is transferred to an SE or SCE in the course of a merger forming that entity; (1)(a)
 - either:
 - the transferring entity is Irish tax resident at the time of the transfer, or (1)(b)(i)
 - any gain on a disposal of the asset at the time of the merger would have been subject to capital gains tax; (1)(b)(ii)
- and
- either:
 - the newly formed SE or SCE is Irish tax resident, or (1)(c)(i)
 - any gain arising to the SE or SCE after it is formed would be subject to capital gains tax. (1)(c)(ii)

If an SE or SCE were not resident in the State, a gain on the disposal of an asset by it would be chargeable to capital gains tax under *section 29* if, before the disposal, the assets were situated in the State and were used by the SE or SCE for the purposes of a trade carried on by it in the State through a branch or agency.

Company residence

A company is treated for the purposes of this section as resident for tax in a Member State (2) (other than Ireland) if it is so resident there for tax purposes and is not treated as being resident outside of the EU under a tax treaty entered into by its Member State of residence.

Application

The circumstances in which the section applies are set out: (3)

These are —

- either an SE of an SCE is formed by a merger under the SE Regulation or SCE Regulation as appropriate; (3)(a)
- each of the merging companies is resident in a Member State; (3)(b)
- the merging companies are not all tax resident in the same Member State (i.e. it is a cross-border merger); and (3)(c)
- tax neutrality is not already applied by virtue of *section 615*. (3)(d)

Capital gains tax

Tax neutrality for capital gains purposes is provided for. Assets will be regarded as transferred for a consideration that will result in no gain or no loss to the transferring company. In the case of companies, certain capital gains are charged to capital gains tax. In other cases, the capital gain is calculated and an amount representing the gain is charged to corporation tax. The subsection covers both situations. (4)

The consequences of applying the section are that the transferring company will have no taxable gains in respect of the transaction. However, when the SE or SCE eventually disposes of the asset, it will be taxed on the full gain calculated by referral to the transferring company's cost and the eventual sale price by the SE or SCE.

Capital allowances

Tax neutrality in relation to capital allowances is provided for. Normally where a company disposes of an asset that qualifies for capital allowances, an adjustment is made by a balancing allowance or balancing charge to ensure that the overall amount of allowances made is appropriate. The subsection provides for tax neutrality so that no such adjustment is made on a transfer of an asset to an SE or SCE in the course of a merger.

The transfer of assets in the course of a merger is treated as not giving rise to a balancing allowance or charge (5)(a)

Capital allowances continue to be available so that the SE or SCE will obtain the capital allowances that would have been made to the transferring company if it had continued to use the assets and as if the SE or SCE had been carrying on the trade since the transferring company started to carry on the trade. (5)(b)

633B Formation of SE or SCE by merger – not leaving assets in the State

Summary

This section deals with a situation where assets are transferred to an SE or SCE on the formation of such an entity and where the assets are not left in the State. This arises where an Irish resident company transfers a branch in another EU Member State to a company of another Member State. In this case, the transfer of the assets to the SE or SCE will give rise to a charge to tax.

Details

Application

- The section applies where the following criteria are met: (1)
- an SE or SCE is formed by a merger; (1)(a)
 - each merging company is resident in a Member State; (1)(b)
 - all of the merging companies are not resident in the same Member State; (1)(c)
 - in the course of the merger an Irish resident company transfers all assets and liabilities of a trade carried on by it in a Member State (other than Ireland) to a company that is resident in another Member State (that is, it transfers a non-Irish branch to a non-Irish resident company); and (1)(d)
 - there is a net chargeable gain from the transaction. (1)(e)

Losses

Losses arising are to be set off against gains, and the net gains charged to tax. (2)

Credit for tax

Section 634 is to apply where this section applies. If the Member State in which the branch of the Irish company operates gives tax neutral treatment under the Directive, then no tax will be chargeable there on the transaction. Consequently, no foreign tax will be offset against any Irish tax chargeable on the gain. In due course when the assets are disposed of, the foreign tax arising will not be relevant for double taxation relief purposes. This could result in double taxation of the gain, once in Ireland and once in the other Member State. To avoid this scenario, credit is to be given against the Irish tax arising under *subsection (2)* for the foreign tax that would have been payable on the transfer of assets if relief under the Directive was not available in the other Member State. That is what *section 634* does. (3)

633C Treatment of securities on a merger

Summary

This section sets out rules for the treatment of shareholders where an SE or an SCE is formed by a merger. If the shareholders are not already entitled to relief because the merger is a reconstruction or amalgamation within the meaning of *section 587*, then the merger is to be treated as if it was a scheme of reconstruction so that relief would be available. Where the shareholders in a reconstruction or amalgamation surrender shares in one company for shares in another, then no disposal is treated as having taken place and the new and old shares are treated as the same asset.

Details

Application

- This section applies where the following criteria are met: (1)
- an SE or SCE is formed by a merger in accordance with the SE or SCE Regulation; (1)(a)
 - each merging company is resident in a Member State; (1)(b)
 - the merging companies are not all resident in the same Member States (thus it must be a cross-border merger); and (1)(c)
 - the merger is not part of a scheme of reconstruction within the meaning of *section 587*. (1)(d)

Treatment of shareholders – scheme of reconstruction

Where the section applies the merger is to be treated as a scheme of reconstruction for the purposes of **section 587**. That section provides that, in the case of a scheme of reconstruction where shareholders in a company receive shares in another company in proportion to their holding in the first company, they are to be treated as exchanging the old shares for the new shares and **section 586(1)** is to apply. **Section 586(1)** provides that the two companies are to be treated as one and **section 584** is to apply. That section provides that the transaction is to be treated as not involving a disposal of the old shares, but the old shares and the new shares are to be treated as a single asset. (2)

633D Mergers where a company is dissolved without going into liquidation

This section ensures that where a company is dissolved without going into liquidation and transfers all its assets and liabilities to its 100% parent it shall not be treated as involving a disposal by the parent of the share capital of the company. Prior to 2008 it was not possible under Irish law to dissolve a company without its going into liquidation. However, with the introduction of the cross border mergers regulations in 2008 such a cross border merger is now possible. Under these regulations the transferring company in the merger will be dissolved automatically without going into liquidation. This section ensures that this type of merger will not be taxable, which is the treatment required under Article 7 of the Mergers Directive.

634 Credit for tax

Summary

This section provides relief where a company resident in the State transfers a trading operation carried on by it in another Member State to a non-resident company in return for securities in the non-resident company. The company disposing of the trading operation is chargeable to capital gains tax but is entitled to reduce the capital gains tax by the amount of capital gains tax in respect of the transaction in the Member State in which the branch is situated. This applies even where that tax may be deferred under the provisions of the Directive or under the provisions of any domestic law of the Member State in which the trading operation is situated. In order to get relief, the company making the disposal must produce to the Revenue Commissioners a relevant certificate given by the tax authorities of the Member State in which the trading operation is situated. This certificate shows the amount of tax which would be payable in that State but for the deferral provisions of the Directive or the domestic law of that State. Tax neutral treatment is provided for in the case of a transaction covered by the Directive where, unusually, one of the parties to the transaction is regarded as a company by one of the Member States involved but as transparent (such as, for example, a partnership) for tax purposes in the other member State.

Details

Definitions

“law of a Member State which has the effect of deferring a charge to tax on a gain” is the law of the Member State which defers the liability in the Member State in which the branch is situated by providing — (1)

- that the gain accruing on the disposal of the assets in the course of the transfer of the trade is to be treated as not accruing until the assets are finally disposed of,
- that the assets are to be treated as disposed of for a consideration that would not

give rise to a gain or a loss for capital gains tax purposes in the case of the transferring company, and which would treat the receiving company as having acquired the asset at its original cost and at the original time at which it was acquired by the transferring company,

- any other type of corresponding deferral of a charge to tax.

“relevant certificate given by the tax authorities of a Member State” is a certificate, given by those authorities, which states whether the gains would have been taxable in the Member State in which the branch is situated but for the Directive or any domestic law of that Member State which would have the effect of deferring the charge. If the gains would have been so chargeable but for the Directive or domestic law, such a certificate would also state the amount of tax which would have been payable under the domestic law of the Member State concerned on any gains or losses on the transfer and after any other deductions and reliefs available to the transferring company.

Relief

Relief is to be given in the case of a transaction which satisfies the following (2) conditions —

- a company resident in the State transfers the whole or part of a trade carried on by it in another Member State to a non-resident EU company,
- the transfer involves all of the assets of the branch through which that trade is carried on or all of those assets other than cash,
- the consideration of the transfer consists wholly or partly of securities in the receiving company.

Where these conditions are satisfied, the tax payable in the foreign jurisdiction is allowable as a credit against the Irish tax arising on the transaction. The foreign tax is allowable even in a case where, by reason of the Directive or by reason of domestic law in the Member State in which the branch is situated, the tax payable in that State is deferred. The amount which is to be allowable as a deduction against Irish tax is an amount which is specified in a certificate given by the tax authority of the Member State in which the branch is situated. Relief is given for that foreign tax irrespective of whether there is a double taxation agreement between Ireland and the Member State concerned, or if there is such an agreement, where the agreement does not cover capital gains tax.

Tax neutrality is provided for in the case of a transaction covered by the Directive where, (3) unusually, one of the parties to the transaction is regarded as a company by one of the Member States involved but as transparent (such as, for example, a partnership) for tax purposes in the other Member State.

This situation can arise where new types of companies are added to the annex to the Directive. These entities will be regarded in their home Member State as a company but in another Member State some of them may be regarded as transparent. Where this arises, the Directive requires that the tax neutrality is given to the partners/shareholders in the transparent entity.

The conditions for relief are that —

- there is a transfer by a non-resident company of the whole or part of its trade to another company and the consideration consists solely of the issue to the transferring company of securities in the receiving company, and (3)(a)(i)
- the income or gains of the transferring company are treated as being income or gains of the shareholder/partner in the transferring company and not as income or gains of the company. (3)(a)(ii)

Where the conditions in *subparagraphs (i) and (ii)* are met, then, for the purposes of double taxation relief, an appropriate part of tax specified in a relevant certificate (i.e. the

tax that would have been paid in the other Member State concerned if relief under the Directives had not been available) is to be treated as foreign tax in respect of which credit against Irish tax is to be given.

The amount of appropriate tax in relation to a partner/shareholder in the transparent entity (3)(b) is a proportion of the tax of the transparent entity. The proportion will be the same as the proportion of the entity's income or gains which is treated as income or gains of the partner/shareholder concerned

635 Avoidance of tax

This section provides that the reliefs provided in *sections 631, 632, 633, 633A, 633C and 634* are not available unless it is shown that the transaction is effected for bona fide commercial reasons and does not form part of an arrangement or scheme of which a main purpose is the avoidance of tax.

636 Returns

This section obliges a company which obtains reliefs under *section 631, 632, 633, 633A, 633B, 633C or 634* to make a return in such form as the Revenue Commissioners require of the transaction to its inspector within 9 months after the end of the accounting period in which the transaction takes place (that is, the time at which the company will be making its corporation tax return for the period). (2) & (4)

Where the Irish capital gains tax payable in respect of the disposal by an Irish resident company of a foreign branch is to be reduced by foreign capital gains tax which has been deferred, the return to be made is to include a relevant certificate given by the tax authority of the Member State in which the branch is situated. (3)

637 Other transactions

This section allows the Revenue Commissioners to grant immediate relief under the Directive for any transaction covered by the Directive but not specifically provided for in Irish law. This is because, under existing EU or domestic law, it is not possible for all transactions envisaged by the Directive to be carried out. This section also ensures that Ireland's EU obligations to implement the Directive are fully met.

638 Apportionment of amounts

This section provides that where it is necessary to apportion any sum in order to determine the liability to tax of more than one company then any question which arises as to the manner in which the sums are to be apportioned is to be determined by the Appeal Commissioners or by the courts in the same way as an appeal against an assessment would be determined. All of the companies involved are entitled to appear before and be heard by, or make representations to, the Appeal Commissioners in such a case.

CHAPTER 2

MERGERS AND DIVISIONS PURSUANT TO COMPANIES ACT 2014

Overview

This Chapter concerns mergers and divisions undertaken in accordance with Companies Act 2014.

638A Company mergers and divisions

Summary

The Companies Act 2014 provides for the transfer of assets and liabilities of a “transferor company” to a “successor company” pursuant to a merger or division. At the same time as the assets and liabilities of the transferor company transfer to one or more successor companies, the transferor company dissolves without going into liquidation. While the transferor company ceases to exist from the point of transfer, the successor company steps into the shoes of the transferor company as regards certain rights and obligations of the transferor company. This section provides that certain rights and obligations of the transferor company including tax payment, filing and reporting obligations and liabilities, will transfer to the successor company or companies. It also provides that an appeal made by a transferor company may be treated as an appeal made by a successor company and that any right of appeal in relation to an appealable matter conferred on a transferor company be treated as conferred on the successor company

Details

The term “division” means a division undertaken in accordance with the Companies Act 2014. (1)

The term “merger” means a merger undertaken in accordance with the Companies Act 2014.

The term “successor company” means a company to which assets and liabilities have been transferred as a result of a merger or division.

The term “the Acts” means:

- The Tax Acts;
- The Capital Gains Tax Acts;
- Parts 18A, 18B, 18C and 18D of the Taxes Consolidation Act 1997;
- The Value-Added Tax Consolidation Act 2010, and the enactments amending or extending that Act;
- The Capital Acquisitions Tax Consolidation Act 2003, and the enactments amending or extending that Act;
- The Stamp Duties Consolidation Act 1999, and the enactments amending or extending that Act;
- The statutes relating to the duties of excise and to the management of those duties;
- The Customs Acts and
- The Finance (Local Property Tax) Act 2012;

The term “transferor company” means a company from which assets and liabilities have been transferred as a result of a merger or division.

All liabilities, obligations and requirements or things to be fulfilled or done by a transferor company, will, for the purposes of Part 38 (returns of income and gains, other obligations and returns, and revenue powers), Part 41A (assessing rules including rules for self assessment), Part 42 (collection and recovery) and Part 47 (penalties, revenue offences, interest on overdue tax and other sanctions) of the Taxes Consolidation Act, transfer to a successor company or companies following a merger or division undertaken in accordance with the Companies Act 2014. (2)

An appeal made by a transferor company shall be treated as an appeal made by the (3)

successor company.

Any right of appeal in relation to an appealable matter conferred on a transferor company shall be treated as conferred on the successor company. (4)