

[20.2.1] Deemed disposal of assets (S627)

Reviewed February 2016

- 1.1 **Section 627** provides that when a company ceases to be resident in the State it is deemed to have disposed of, and re-acquired, all of its assets immediately prior to the change of its residence status at the market value of the assets at that time. Assets which continue to be used in the State by the company exercising a trade in the State through a branch or agency are excluded from the deemed disposal provisions.
- 1.2 Companies which are at least, 90% owned by companies controlled by shareholders who are resident in countries which have a double taxation treaty with this State are excluded from the charge.
- 1.3 Rollover relief [**Tax Instruction [Part 20-01-07](#)**], which defers capital gains tax when business assets are disposed of but replaced by others, does not apply to any disposals which take place prior to the change of residence where the replacement assets are acquired subsequent to the company's change of its residence status unless the new assets are used by the company exercising a trade in the State through a branch or agency.