Personal Insolvency Act 2012
Industrial Building or Structure

Part 09-04-01

This document should be read in conjunction with section 311(3A) of the Taxes Consolidation Act 1997

Document last reviewed July 2023

Paragraph 3 of **Explanatory Note - Personal Insolvency Act 2012 and Section 100 of Finance Act 2013** (reproduced below), clarifies the status of an industrial building or structure transferred in trust under the terms of a Debt Settlement Arrangement (DSA) or a Personal Insolvency Arrangement (PIA).

Such a transfer does not give rise to a balancing allowance or a balancing charge.

"**3. Property held in trust for benefit of creditors (Section 100(1)(c))**

Subsection (1)(c) amends section 311 of the TCA 1997, which expands the meaning of a sale of property for the purposes of Part 9 of that Act, to include certain other transfers of such property. When certain property is sold or exchanged, a balancing event, i.e. an adjustment to the quantum of capital allowances previously made in relation to the property, can occur. This amendment provides that the transfer of an industrial building or structure (within the meaning of section 268 of the TCA 1997) under the terms of a DSA or a PIA by a debtor to a trustee for the benefit of creditors will not be treated as an exchange of that property, thereby ensuring that the transfer will not trigger a balancing event. In circumstances where the trustee subsequently disposes of the property, that disposal is treated as having been made by the debtor and may give rise to a balancing charge/allowance for the debtor at that stage."