



Corporation Tax Act 2010

2010 CHAPTER 4

PART 4

LOSS RELIEF

CHAPTER 5

LOSSES ON DISPOSAL OF SHARES

Interpretation

90 Interpretation of Chapter

^{F1}(1) In this Chapter (subject to subsections (2) to (7))—

“bonus shares” means shares which are issued otherwise than for payment (whether in cash or otherwise),

“corresponding bonus shares”, in relation to any shares, means bonus shares which—

- (a) are issued in respect of those shares, and
- (b) are in the same company, are of the same class, and carry the same rights, as those shares,

“excluded company” means a company which—

- (a) has a trade which consists wholly or mainly of dealing in land, in commodities or futures or in shares, securities or other financial instruments,
- (b) has a trade which is not carried on on a commercial basis and in such a way that profits in the trade can reasonably be expected to be realised,
- (c) is a holding company of a group other than a trading group, or
- (d) is a building society or a [^{F2}registered society] ,

“group” (except in sections 79 and 84) means a company which has one or more 51% subsidiaries together with that or those subsidiaries,

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“holding company” means a company whose business consists wholly or mainly in the holding of shares or securities of companies which are its 51% subsidiaries,

“investment company” means a company—

- (a) whose business consists wholly or mainly in the making of investments, and
- (b) which derives the principal part of its income from the making of investments,

but does not include the holding company of a trading group,

[^{F3}“registered society” means—

- (a) a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014,
- (b) a society registered or treated as registered under the Industrial and Provident Societies Act (Northern Ireland) 1969, [or
- (c) an SCE formed in accordance with Council Regulation (EC) No 1435/2003 on the Statute for a European Cooperative Society,]]

“shares”—

- (a) includes stock, but
- (b) does not include shares or stock not forming part of a company's ordinary share capital,

“share loss relief” has the meaning given by section 68(1),

“trading company” means a company other than an excluded company which is—

- (a) a company whose business consists wholly or mainly in the carrying on of a trade or trades, or
- (b) the holding company of a trading group, and

“trading group” means a group the business of whose members, when taken together, consists wholly or mainly in the carrying on of a trade or trades.

- (2) For the purposes of the definition of “corresponding bonus shares” in subsection (1), shares are not treated as being of the same class unless they would be so treated if they were—
 - (a) included in the official UK list, and
 - (b) admitted to trading on the London Stock Exchange.
- (3) Except as provided by subsection (4), paragraph (b) of the definition of shares in subsection (1) does not apply in the definition of “excluded company” in subsection (1) or in sections 75(3) to (6), (8) and (9) and 87(1) to (4).
- (4) Paragraph (b) of that definition applies in relation to the first reference to “shares” in section 87(1).
- (5) The definition of “shares” in subsection (1) does not apply in sections 79(5)(a), 84(3) and 85(1)(c) and (2).
- (6) For the purposes of the definition of “trading group” in subsection (1), any trade carried on by a subsidiary which is an excluded company is treated as not constituting a trade.

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- (7) For the purposes of this Chapter a disposal of shares which results in an allowable loss for the purposes of corporation tax on chargeable gains is treated as made at the time when the disposal is made or treated as made for the purposes of TCGA 1992.

Textual Amendments

- F1** S. 90(1) amendment to earlier affecting provision 2014 c. 14 Sch. 4 para. 158(3) (1.8.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 39 paras. 12, 15](#)
- F2** Words in s. 90(1) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 158\(2\)](#) (with [Sch. 5](#))
- F3** Words in s. 90(1) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 158\(3\)](#) (with [Sch. 5](#)) (as amended (1.8.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 39 paras. 12, 15](#))

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))