

Status: Point in time view as at 16/11/2017.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2017, PART 5. (See end of Document for details)

SCHEDULES

SCHEDULE 4

RELIEF FOR CARRIED-FORWARD LOSSES

PART 5

CARRYING FORWARD TRADE LOSSES IN CERTAIN CREATIVE INDUSTRIES

Losses of film trade

- 27 Chapter 4 of Part 15 of CTA 2009 (losses of separate film trade) is amended as follows.
- 28 (1) Section 1209 (restriction on use of losses while film in production) is amended as follows.
- (2) In subsection (2)—
- (a) after “45” insert “ or 45B ”, and
- (b) for “set against” substitute “ deducted from ”.
- (3) After subsection (2) insert—
- “(3) If the loss is carried forward under section 45 or 45B of CTA 2010 and deducted from profits of the separate film trade in a subsequent period, the deduction is to be ignored for the purposes of section 269ZB of CTA 2010 (restriction on deductions from trading profits).”
- 29 (1) Section 1210 (use of losses in later periods) is amended as follows.
- (2) In subsection (2) after “45” insert “ or 45B ”.
- (3) In subsection (3) for “loss relief” substitute “ section 37 and Part 5 of CTA 2010 ”.
- (4) In subsection (4) for “Subsection (5) applies” substitute “ Subsections (5) and (5A) apply ”.
- (5) In subsection (5) after paragraph (a) insert—
- “(ab) carried forward under section 45A of that Act to be deducted from the total profits of a later period.”
- (6) After subsection (5) insert—
- “(5A) A deduction under section 45 or 45B of CTA 2010 which is made in respect of so much of the loss as is attributable to film tax relief is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”
- 30 (1) Section 1211 (terminal losses) is amended as follows.

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- (2) In subsection (1)(c)—
- (a) after “45” insert “, 45A or 45B ”, and
 - (b) omit “trade X in”.
- (3) In subsection (3) for the words after “treated” to the end substitute “—
- (a) in a case where the loss could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Y of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the loss could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Y which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.”
- (4) In subsection (6) for the words after “treated” to the end substitute “—
- (a) in a case where the amount could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Z of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the amount could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Z which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.”
- (5) After subsection (7) insert—
- “(7A) A deduction under section 45 or 45B of CTA 2010 which is made in reliance on this section is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”
- Losses of television programme trade*
- 31 Chapter 4 of Part 15A of CTA 2009 (losses of separate television programme trade) is amended as follows.
- 32 (1) Section 1216DA (restriction on use of losses while programme in production) is amended as follows.
- (2) In subsection (2)—
- (a) after “45” insert “ or 45B ”, and
 - (b) for “set against” substitute “ deducted from ”.
- (3) After subsection (2) insert—
- “(3) If the loss is carried forward under section 45 or 45B of CTA 2010 and deducted from profits of the separate programme trade in a subsequent period, the deduction is to be ignored for the purposes of section 269ZB of CTA 2010 (restriction on deductions from trading profits).”
- 33 (1) Section 1216DB (use of losses in later periods) is amended as follows.

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- (2) In subsection (2) after “45” insert “ or 45B ”.
 - (3) In subsection (3) for “loss relief” substitute “ section 37 and Part 5 of CTA 2010 ”.
 - (4) In subsection (4) for “Subsection (5) applies” substitute “ Subsections (5) and (5A) apply ”.
 - (5) In subsection (5) after paragraph (a) insert—
 - “(ab) carried forward under section 45A of that Act to be deducted from the total profits of a later period.”
 - (6) After subsection (5) insert—
 - “(5A) A deduction under section 45 or 45B of CTA 2010 which is made in respect of so much of the loss as is attributable to television tax relief is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”
- 34 (1) Section 1216DC (terminal losses) is amended as follows.
- (2) In subsection (1)(c)—
 - (a) after “45” insert “ , 45A or 45B ”, and
 - (b) omit “trade X in”.
 - (3) In subsection (3) for the words after “treated” to the end substitute “—
 - (a) in a case where the loss could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Y of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the loss could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Y which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.”
 - (4) In subsection (6) for the words after “treated” to the end substitute “—
 - (a) in a case where the amount could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Z of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the amount could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Z which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.”
 - (5) After subsection (7) insert—
 - “(7A) A deduction under section 45 or 45B of CTA 2010 which is made in reliance on this section is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”

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Losses of video game trade

- 35 Chapter 4 of Part 15B of CTA 2009 (losses of separate video game trade) is amended as follows.
- 36 (1) Section 1217DA (restriction on use of losses while video game in development) is amended as follows.
- (2) In subsection (2)—
- (a) after “45” insert “ or 45B ”, and
- (b) for “set against” substitute “ deducted from ”.
- (3) After subsection (2) insert—
- “(3) If the loss is carried forward under section 45 or 45B of CTA 2010 and deducted from profits of the separate video game trade in a subsequent period, the deduction is to be ignored for the purposes of section 269ZB of CTA 2010 (restriction on deductions from trading profits).”
- 37 (1) Section 1217DB (use of losses in later periods) is amended as follows.
- (2) In subsection (2) after “45” insert “ or 45B ”.
- (3) In subsection (3) for “loss relief” substitute “ section 37 and Part 5 of CTA 2010 ”.
- (4) In subsection (4) for “Subsection (5) applies” substitute “ Subsections (5) and (5A) apply ”.
- (5) In subsection (5) after paragraph (a) insert—
- “(ab) carried forward under section 45A of that Act to be deducted from the total profits of a later period.”
- (6) After subsection (5) insert—
- “(5A) A deduction under section 45 or 45B of CTA 2010 which is made in respect of so much of the loss as is attributable to video games tax relief is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”
- 38 (1) Section 1217DC (terminal losses) is amended as follows.
- (2) In subsection (1)(c)—
- (a) after “45” insert “ , 45A or 45B ”, and
- (b) omit “trade X in”.
- (3) In subsection (3) for the words after “treated” to the end substitute “—
- (a) in a case where the loss could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Y of the first accounting period beginning after the cessation and so on, and
- (b) in a case where the loss could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Y which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.”
- (4) In subsection (6) for the words after “treated” to the end substitute “—

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- (a) in a case where the amount could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Z of the first accounting period beginning after the cessation and so on, and
- (b) in a case where the amount could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Z which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.”

(5) After subsection (7) insert—

“(7A) A deduction under section 45 or 45B of CTA 2010 which is made in reliance on this section is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”

Losses of theatrical trade

39 Part 15C of CTA 2009 (theatrical productions) is amended as follows.

40 (1) Section 1217MA (restriction on use of losses before completion period) is amended as follows.

(2) In subsection (1) for “Subsection (2)” substitute “ This section ”.

(3) In subsection (2)—

- (a) after “45” insert “ or 45B ”, and
- (b) for “set against” substitute “ deducted from ”.

(4) After subsection (2) insert—

“(3) If the loss is carried forward under section 45 or 45B of CTA 2010 and deducted from profits of the separate theatrical trade in a subsequent period, the deduction is to be ignored for the purposes of section 269ZB of CTA 2010 (restriction on deductions from trading profits).”

41 (1) Section 1217MB (use of losses in the completion period) is amended as follows.

(2) In subsection (1) after “45” insert “ or 45B ”.

(3) In subsection (2) for “loss relief” substitute “ section 37 and Part 5 of CTA 2010 ”.

42 (1) Section 1217MC (terminal losses) is amended as follows.

(2) In subsection (1)(b) after “45” insert “ or 45B ”.

(3) In subsection (3) for the words after “treated” to the end substitute “—

- (a) in a case where the loss could have been carried forward under section 45 of CTA 2010 had trade 1 not ceased, as if it were a loss carried forward under that section to be set against the profits of trade 2 of the first accounting period beginning after the cessation and so on, and
- (b) in a case where the loss could have been carried forward under section 45B of CTA 2010 had trade 1 not ceased, as if it were a loss made in trade 2 which has been carried forward under that section to the first accounting period beginning after the cessation.”

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- (4) In subsection (6) for the words after “treated” to the end substitute “—
- (a) in a case where the amount could have been carried forward under section 45 of CTA 2010 had trade 1 not ceased, as if it were a loss carried forward by company B under that section to be set against the profits of company B's trade of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the amount could have been carried forward under section 45B of CTA 2010 had trade 1 not ceased, as if it were a loss made in company B's trade which has been carried forward under that section to the first accounting period beginning after the cessation.”
- (5) After subsection (8) insert—
- “(9) A deduction under section 45 or 45B of CTA 2010 which is made in reliance on this section is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”
- Losses of orchestral trade*
- 43 Chapter 4 of Part 15D of CTA 2009 (losses of separate orchestral trade) is amended as follows.
- 44 (1) Section 1217SA (restriction on use of losses before completion period) is amended as follows.
- (2) In subsection (1) for “Subsection (2)” substitute “ This section ”.
 - (3) In subsection (2)—
 - (a) after “45” insert “ or 45B ”, and
 - (b) for “set against” substitute “ deducted from ”.
 - (4) After subsection (2) insert—

“(3) If the loss is carried forward under section 45 or 45B of CTA 2010 and deducted from profits of the separate orchestral trade in a subsequent period, the deduction is to be ignored for the purposes of section 269ZB of CTA 2010 (restriction on deductions from trading profits).”
- 45 (1) Section 1217SB (use of losses in the completion period) is amended as follows.
- (2) In subsection (1) after “45” insert “ or 45B ”.
 - (3) In subsection (2) for “loss relief” substitute “ section 37 and Part 5 of CTA 2010 ”.
- 46 (1) Section 1217SC (terminal losses) is amended as follows.
- (2) In subsection (1)(b) after “45” insert “ or 45B ”.
 - (3) In subsection (3) for the words after “treated” to the end substitute “—
 - (a) in a case where the loss could have been carried forward under section 45 of CTA 2010 had trade 1 not ceased, as if it were a loss carried forward under that section to be set against the profits of trade 2 of the first accounting period beginning after the cessation and so on, and

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- (b) in a case where the loss could have been carried forward under section 45B of CTA 2010 had trade 1 not ceased, as if it were a loss made in trade 2 which has been carried forward under that section to the first accounting period beginning after the cessation.”
- (4) In subsection (6) for the words after “treated” to the end substitute “—
- (a) in a case where the amount could have been carried forward under section 45 of CTA 2010 had trade 1 not ceased, as if it were a loss carried forward by company B under that section to be set against the profits of company B's trade of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the amount could have been carried forward under section 45B of CTA 2010 had trade 1 not ceased, as if it were a loss made in company B's trade which has been carried forward under that section to the first accounting period beginning after the cessation.”
- (5) After subsection (8) insert—
- “(9) A deduction under section 45 or 45B of CTA 2010 which is made in reliance on this section is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).”

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