
Status: Point in time view as at 22/07/2020.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Paragraph 18. (See end of Document for details)

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Pre-entry losses

- 18 (1) Schedule 7A to TCGA 1992 (restriction on set-off of pre-entry losses) is amended in accordance with this paragraph.
- (2) In paragraph 6(1)(b), after “from that gain” insert “ (subject to sub-paragraphs (1A) to (1C)) ”.
- (3) In paragraph 6(1)(c), after “section 2A(1)” insert “ (subject to sub-paragraphs (1A) to (1C)) ”.
- (4) After sub-paragraph (1) insert—
- “(1A) Sub-paragraph (1B) applies, in respect of an accounting period, if the amount of chargeable gains accruing to the company in the period exceeds the total of—
- (a) the amount of pre-entry losses accruing to the company in the period that are deductible under sub-paragraph (1)(a), and
 - (b) the amount of allowable losses, other than pre-entry losses, accruing to the company in the period.
- (1B) Where this sub-paragraph applies in respect of an accounting period—
- (a) the sum of any deductions under sub-paragraph (1)(b) may not exceed the total of—
 - (i) the amount of pre-entry losses that, on the assumption in sub-paragraph (1C), would be deductible under sub-paragraph (1)(b), and
 - (ii) the amount of allowable losses (other than pre-entry losses) that, on the assumption in sub-paragraph (1C), would be deductible under section 2A(1), and
 - (b) for the purposes of sub-paragraph (1)(c), the deductions made under section 2A(1) may not exceed the difference between—
 - (i) the total of the amounts mentioned in paragraph (a)(i) and (ii), and
 - (ii) the amount of pre-entry losses deducted under sub-paragraph (1)(b).

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- (1C) The assumption is that deductions under sub-paragraph (1)(b) are treated for the purposes of Part 7ZA of CTA 2010 (restrictions on obtaining certain deductions) as if they were made under section 2A(1)(b) of this Act.”

Status:

Point in time view as at 22/07/2020.

Changes to legislation:

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