



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIII

MISCELLANEOUS SPECIAL PROVISIONS

CHAPTER VI

OTHER PROVISIONS

Relief for losses on unquoted shares in trading companies

574 Relief for individuals.

[^{F1}(1) Where an individual who has subscribed for shares in a qualifying trading company incurs an allowable loss (for capital gains tax purposes) on the disposal of the shares in any year of assessment, he may, by notice given within twelve months from the 31st January next following that year, make a claim for relief from income tax on—

- (a) so much of his income for that year as is equal to the amount of the loss or, where it is less than that amount, the whole of that income; or
- (b) so much of his income for the last preceding year as is equal to that amount or, where it is less than that amount, the whole of that income;

but relief shall not be given for the loss or the same part of the loss both under paragraph (a) and under paragraph (b) above.

Where such relief is given in respect of the loss or any part of it, no deduction shall be made in respect of the loss or (as the case may be) that part under the 1992 Act.

- (2) Any relief claimed under paragraph (a) of subsection (1) above in respect of any income shall be given in priority to any relief claimed in respect of that income under paragraph (b) of that subsection; and any relief claimed under either paragraph in respect of any income shall be given in priority to any relief claimed in respect of that income under section 380 or 381.]

Status: Point in time view as at 03/05/1994.

Changes to legislation: *Income and Corporation Taxes Act 1988, Cross Heading: Relief for losses on unquoted shares in trading companies is up to date with all changes known to be in force on or before 08 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

(3) For the purposes of this section—

- (a) an individual subscribes for shares if they are issued to him by the company in consideration of money or money's worth; and
- (b) an individual shall be treated as having subscribed for shares if his spouse did so and transferred them to him by a transaction inter vivos.

Textual Amendments

- F1** S. 574(1)(2) substituted (with effect in accordance with s. 210(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 210](#) (as amended (retrospectively) by [Finance Act 1995 \(c. 4\)](#), [s. 119](#)) (with Sch. 20)

Modifications etc. (not altering text)

- C1** Ss. 574-576 applied (with effect in accordance with s. 93(11) of the affecting Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 12 para. 3\(3\)](#)
- C2** S. 574(1) modified (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), [Sch. 20 para. 8](#)
- C3** S. 574(1) modified (1991-92) by [The Lloyd's Underwriters \(Tax\) \(1991-92\) Regulations 1994 \(S.I. 1994/728\)](#), regs. 1, 9, [Sch. 2](#)
- C4** S. 574(1) modified (1992-93, 1993-94 and 1994-5) by [The Lloyd's Underwriters \(Tax\) \(1992-93 to 1996-97\) Regulations 1995 \(S.I. 1995/352\)](#), regs. 1, 14, 15, [Sch.](#)

Status:

Point in time view as at 03/05/1994.

Changes to legislation:

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