

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Application and construction of Schedule is up to date with all changes known to be in force on or before 22 July 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) View outstanding changes

SCHEDULES

[^{F1} SCHEDULE 7A

RESTRICTION ON SET-OFF OF PRE-ENTRY LOSSES

Textual Amendments

- F1** Sch. 7A inserted (27.7.1993 with effect as mentioned in s. 88(3) of the amending Act) by 1993 c. 34, c. 88(2), Sch. 8

Application and construction of Schedule

- 1 (1) This Schedule shall have effect, in the case of a company which [^{F2}becomes] a member of a group of companies (“the relevant group”), in relation to any pre-entry losses of that company[^{F3}, but this Schedule shall have no effect in any case where section 184A (restrictions on buying losses: tax avoidance schemes) has effect in relation to those losses].
- [^{F4}(2) In this Schedule “pre-entry loss”, in relation to any company, means any allowable loss that accrued to that company at a time before it became a member of the relevant group.]
- ^{F5}(3)
- ^{F5}(3A)
- ^{F5}(4)
- ^{F5}(5)
- (6) [^{F6}If]—
- (a) the principal company of a group of companies (“the first group”) has at any time become a member of another group (“the second group”) so that the two groups are treated as the same by virtue of subsection (10) [^{F7}or (10A)] of section 170, and
- (b) the second group, together in pursuance of that subsection with the first group, is the relevant group,
- then, except where sub-paragraph (7) below applies, the members of the first group shall be treated for the purposes of this Schedule as having become members of the relevant group at that time, and not by virtue of that subsection at the times when they became members of the first group.
- (7) This sub-paragraph applies where—
- (a) the persons who immediately before the time when the principal company of the first group became a member of the second group owned the shares comprised in the issued share capital of the principal company of the first

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group are the same as the persons who, immediately after that time, owned the shares comprised in the issued share capital of the principal company of the relevant group; and

- (b) the company which is the principal company of the relevant group immediately after that time—
- (i) was not the principal company of any group immediately before that time; and
 - (ii) immediately after that time had assets consisting entirely, or almost entirely, of shares comprised in the issued share capital of the principal company of the first group.

^{F8}(8)

- (9) In determining for the purposes of this Schedule whether any allowable loss accruing to a company under section 116(10)(b) is a loss that accrued before the company became a member of the relevant group, any loss so accruing shall be deemed to have accrued at the time of the relevant transaction within the meaning of section 116(2).
- (10) In determining for the purposes of this Schedule whether any allowable loss accruing to a company on a disposal under section 212 is a loss that accrued before the company became a member of the relevant group, the provisions of section 213 shall be disregarded.]

Textual Amendments

- F2** Word in Sch. 7A para. 1(1) substituted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 11 para. 3\(2\)](#)
- F3** Words in Sch. 7A para. 1(1) inserted (with effect in accordance with s. 70(6)-(8) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 70\(3\)](#) (with [s. 70\(10\)-\(11\)](#))
- F4** Sch. 7A para. 1(2) substituted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 11 para. 3\(3\)](#)
- F5** Sch. 7A para. 1(3)(3A)(4)(5) omitted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 11 para. 3\(4\)](#)
- F6** Word in Sch. 7A para. 1(6) substituted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 11 para. 3\(5\)](#)
- F7** Words in Sch. 7A para. 1(6)(a) inserted (with effect in accordance with s. 65(6) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [s. 65\(4\)](#)
- F8** Sch. 7A para. 1(8) omitted (with effect in accordance with Sch. 11 paras. 11, 12 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 11 para. 3\(6\)](#)

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

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

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

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by S.I. 2008/3068, art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by S.I. 1989/469, reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by S.I. 1989/469, reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)