

## SCHEDULES

### SCHEDULE 7

#### RESTRICTIONS ON GROUP RELIEF

##### *Commencement*

- 9 (1) This Schedule has effect, subject to sub-paragraphs (2) to (4) below, in relation to any claim for group relief if—
- (a) the accounting period of the claimant company for which relief is claimed, or
  - (b) the accounting period of the surrendering company to which that claim relates,
- is an accounting period ending on or after 2nd July 1997.
- (2) This Schedule does not apply in relation to any claim for group relief for which the overlapping period for the purposes of section 403A of the Taxes Act 1988 would be a period falling entirely before 2nd July 1997.
- (3) Where in the case of any claim for group relief the overlapping period begins before but ends on or after 2nd July 1997, the maximum amount which in the claimant's case is allowable on that claim by way of group relief shall (instead of being determined in accordance with this Schedule) be the amount determined by—
- (a) taking the maximum amount that would have been allowable on that claim if this Schedule had not been enacted; and
  - (b) reducing that amount by the amount (if any) of the relief withdrawn in respect of the part of the claimant company's accounting period beginning with 2nd July 1997.
- (4) For the purposes of sub-paragraph (3) above the relief withdrawn in respect of the part of the claimant company's accounting period beginning with 2nd July 1997 is the amount (if any) by which the amount specified in paragraph (a) below exceeds the amount specified in paragraph (b) below, that is to say—
- (a) the maximum amount which would have been allowable by way of group relief on the claimant company's claim if this Schedule had not been enacted but it were assumed that the qualifying conditions were not satisfied in relation to that claim at any time before 2nd July 1997; and
  - (b) the maximum amount which would be allowable by way of group relief on that claim if that were assumed but relief fell to be given in accordance with Chapter IV of Part X of the Taxes Act 1988 as amended by this Schedule.
- (5) For the purposes of sub-paragraph (4) above an assumption in relation to any claim that the qualifying conditions were not satisfied at a particular time is an assumption that, at that time, the claimant company and the surrendering company—
- (a) were not both members of the same group; and
  - (b) did not satisfy in relation to each other the conditions specified in section 402(3) of the Taxes Act 1988 for the making of a consortium claim.