



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 2

#### CALCULATION OF LIABILITY IN RESPECT OF PROFITS

#### CHAPTER 4

#### CURRENCY

#### *Interpretation*

- 16 Sections 13(2) and 15(5): profit against which carried-forward amount to be set off**
- (1) This section is about the interpretation of the references in sections 13(2) and 15(5) to the profit against which a carried-forward amount is to be set off, in a case where the carried-forward amount—
- (a) is one that is treated as arising in an accounting period later than that in which it in fact arises, and
  - (b) is accordingly deductible in calculating a profit for that later period.
- (2) In such a case, the references are to be read as references to the profit in calculating which the amount is deductible, disregarding the deduction.
- 17 Interpretation of Chapter**
- (1) References in this Chapter to the accounts of a UK resident company are to—
- (a) the annual accounts of the company required by Part 15 of the Companies Act 2006, or
  - (b) if the company is not required to prepare such accounts, the accounts which it is required to keep under the law of the territory under whose laws the company is incorporated, or

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- (c) if the company is not required to keep accounts as mentioned in paragraph (a) or (b), those accounts of the company that most closely correspond to accounts which it would have been required to prepare if the provisions of Part 15 of the Companies Act 2006 applied to it.
- (2) In this Chapter “carried-back amount” means—
- (a) an amount carried back under section 37 (relief for trade losses against total profits),
  - [<sup>F1</sup>(aa) an amount carried back under section 45F (relief for terminal trade losses),]
  - (b) an amount carried back under section 389(2) of CTA 2009 (deficits of insurance companies), or
  - (c) an amount carried back by virtue of a claim under section 459(1)(b) [<sup>F2</sup> or 463B(1)(b)] of CTA 2009 (non-trading deficits from loan relationships).
- (3) In this Chapter “carried-forward amount” means—
- (a) an amount carried forward under section 45 (carry forward of [<sup>F3</sup>pre-1 April 2017] trade loss against subsequent trade profits),
  - [<sup>F4</sup>(aa) an amount carried forward under section 45A (carry forward of post 1-April 2017 trade loss against total profits),
  - (ab) an amount carried forward under section 45B (carry forward of post-1 April 2017 trade loss against subsequent trade profits),]
  - (b) an amount carried forward under section 62(5) (UK property business losses),
  - (c) an amount carried forward under section 63(3) (company with investment business ceasing to carry on a UK property business),
  - (d) an amount carried forward under 66(3) (overseas property business losses),
  - (e) an amount carried forward under section 91(6) (losses from miscellaneous transactions),
  - (f) an amount carried forward under [<sup>F5</sup>section 73 or 93 of FA 2012 for use at step 5 in section 76 of that Act (the I - E basis for insurance companies)],
  - [<sup>F6</sup>(g) .....
  - (h) an amount carried forward under section 391(2) of CTA 2009 (deficits of insurance companies),
  - (i) an amount carried forward under section 457(3) [<sup>F7</sup>, 463G(6) or 463H(4)] of CTA 2009 (non-trading deficits from loan relationships),
  - (j) an amount carried forward under section 753(3) of CTA 2009 (non-trading loss on intangible fixed assets),
  - (k) an amount carried forward under section 925(3) of CTA 2009 (patent income: relief for expenses), or
  - (l) an amount carried forward under section 1223 of CTA 2009 (expenses of management and other amounts).
- [<sup>F8</sup>(3A) In this Chapter “investment company” means a company whose business consists wholly or mainly in the making of investments and the principal part of whose income is derived from those investments.]
- [<sup>F9</sup>(4) References in this Chapter to the functional currency of a company or of part of a company's business are references to the currency of the primary economic environment in which the company or part operates.]
- (5) References in this Chapter to the tax calculation currency of a company in an accounting period are to the currency in which profits or losses of the company

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arising in that period that fall to be calculated in accordance with generally accepted accounting practice for corporation tax purposes are required to be calculated by virtue of section 5(1), section 6(2), Step 1 of section 7(2), Step 1 of section 8(2) or Step 1 of section 9(2).

#### Textual Amendments

- F1** S. 17(2)(aa) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 147(2)(a)**
- F2** Words in s. 17(2)(c) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 147(2)(b)**
- F3** Words in s. 17(3)(a) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 147(3)(a)**
- F4** S. 17(3)(aa)(ab) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 147(3)(b)**
- F5** Words in s. 17(3)(f) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 216(a)**
- F6** S. 17(3)(g) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 216(b)**
- F7** Words in s. 17(3)(i) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 147(3)(c)**
- F8** S. 17(3A) inserted (with effect in accordance with Sch. 7 para. 8 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 7 para. 4**
- F9** S. 17(4) substituted (18.11.2015) (with effect in accordance with s. 34(14) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), **s. 34(13)**

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**Changes to legislation:**

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