



Corporation Tax Act 2010

2010 CHAPTER 4

PART 5

GROUP RELIEF

CHAPTER 7

MISCELLANEOUS PROVISIONS AND INTERPRETATION OF PART

Miscellaneous

183 Payments for group relief

- (1) This section applies if—
- (a) the surrendering company and the claimant company have an agreement between them in relation to losses and other amounts of the surrendering company (“the agreed loss amounts”),
 - (b) group relief is given to the claimant company in relation to the agreed loss amounts, and
 - (c) as a result of the agreement the claimant company makes a payment to the surrendering company that does not exceed the total amount of the agreed loss amounts.
- (2) The payment—
- (a) is not to be taken into account in determining the profits or losses of either company for corporation tax purposes, and
 - (b) for corporation tax purposes is not to be regarded as a distribution.

184 References to “allowance” in CAA 2001

References in CAA 2001 (apart from Parts 6 and 10) to an allowance include references to an allowance which would be made—

Status: Point in time view as at 11/07/2023.

Changes to legislation: Corporation Tax Act 2010, Chapter 7 is up to date with all changes known to be in force on or before 15 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)

- (a) but for the giving of group relief, or
- (b) but for that and for a lack of profits or other income.

Interpretation

185 “Trading company” and “holding company”

- (1) In this Part “trading company” means a company the business of which consists wholly or mainly in the carrying on of a trade or trades.
- (2) In this Part “holding company” means a company the business of which consists wholly or mainly in the holding of shares or securities of companies that—
 - (a) are its 90% subsidiaries (see section 151), and
 - (b) are trading companies.

186 When activities of a company are double taxation exempt

- (1) For the purposes of this Part activities of a company are double taxation exempt for an accounting period if, because of double taxation arrangements, the income and chargeable gains (if any) arising for that period from the activities are to be ignored in determining the company's chargeable profits for that period.
- (2) In determining if any activities are double taxation exempt, assume that any claim that must be made before effect is given to any provision of double taxation arrangements is made.
- (3) “Double taxation arrangements” means arrangements which have effect under section 2(1) of TIOPA 2010 (double taxation relief by agreement with territories outside the United Kingdom).

187 “Non-UK tax”

- (1) In this Part “non-UK tax” means a tax chargeable under the law of a territory outside the United Kingdom which—
 - (a) is charged on income and corresponds to United Kingdom income tax, or
 - (b) is charged on income or chargeable gains or both and corresponds to United Kingdom corporation tax.
- (2) A tax is not outside the scope of subsection (1) by reason only that it—
 - (a) is chargeable under the law of a province, state or other part of a country, or
 - (b) is levied by or on behalf of a municipality or other local body.

188 Other definitions

- (1) In this Part—
 - “the claimant company” has the meaning given by section 130(2) ^{F1}...,
 - “the claim period” has the meaning given by section 130(2) ^{F2}...,
 - “company” means any body corporate [^{F3}(except in [^{F4}sections 156(2A) and 169(3)]],
 - “group relief” has the meaning given by section 97(2),

Status: Point in time view as at 11/07/2023.

Changes to legislation: Corporation Tax Act 2010, Chapter 7 is up to date with all changes known to be in force on or before 15 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)

“profits” means income and chargeable gains, except in so far as the context otherwise requires,

“the surrenderable amounts” has the meaning given by section 99(7) ^{F5} ...,

“surrendering company” has the meaning given by section 99(7) ^{F6} ...,

“the surrender period” has the meaning given by section 99(7) ^{F7}

(2) In this Part, except in so far as the context otherwise requires—

- (a) references to a trade include an office, and
- (b) references to carrying on a trade include holding an office.

Textual Amendments

- F1** Words in s. 188(1) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of Finance Act 2022 (c. 3), **Sch. 4 para. 1(8)(a)**
- F2** Words in s. 188(1) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of Finance Act 2022 (c. 3), **Sch. 4 para. 1(8)(b)**
- F3** Words in s. 188(1) inserted (with effect in accordance with s. 31(4) of the amending Act) by Finance Act 2013 (c. 29), **s. 31(3)**
- F4** Words in s. 188(1) substituted (with effect in accordance with s. 40(4) of the amending Act) by Finance Act 2014 (c. 26), **s. 40(3)**
- F5** Words in s. 188(1) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of Finance Act 2022 (c. 3), **Sch. 4 para. 1(8)(c)**
- F6** Words in s. 188(1) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of Finance Act 2022 (c. 3), **Sch. 4 para. 1(8)(d)**
- F7** Words in s. 188(1) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of Finance Act 2022 (c. 3), **Sch. 4 para. 1(8)(e)**

Status:

Point in time view as at 11/07/2023.

Changes to legislation:

Corporation Tax Act 2010, Chapter 7 is up to date with all changes known to be in force on or before 15 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.