



Corporation Tax Act 2010

2010 CHAPTER 4

PART 8

OIL ACTIVITIES

CHAPTER 5

RING FENCE EXPENDITURE SUPPLEMENT

Introduction

307 Overview of Chapter

- (1) This Chapter entitles a company carrying on a ring fence trade, on making a claim in respect of an accounting period, to a supplement in respect of—
 - (a) qualifying pre-commencement expenditure incurred before the trade is set up and commenced,
 - (b) losses incurred in the trade, and
 - (c) some or all of the supplement allowed in respect of earlier periods.
- (2) Sections 308 to 314 make provision about the application and interpretation of this Chapter.
- (3) Sections 315 to 320 make provision about supplement in relation to expenditure incurred by the company—
 - (a) with a view to carrying on a ring fence trade, but
 - (b) in an accounting period before the company sets up and commences that trade.
- (4) Sections 321 to 329 make provision about supplement in relation to losses incurred in carrying on the ring fence trade.
- (5) There is a limit (of 6) on the number of accounting periods in respect of which a company may claim supplement.

Status: Point in time view as at 17/07/2012.

Changes to legislation: Corporation Tax Act 2010, Cross Heading: Introduction is up to date with all changes known to be in force on or before 09 August 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)

- (6) In determining the amount of supplement allowable, reductions fall to be made in respect of—
- (a) disposal receipts in respect of any asset representing qualifying pre-commencement expenditure.
 - (b) ring fence losses that could be deducted under section 37 (relief for trade losses against total profits) or section 42 (ring fence trades: further extension of period for relief) from ring fence profits of earlier periods,
 - (c) ring fence losses incurred in earlier periods that fall to be used under section 45 (carry forward of trade loss against subsequent trade profits) to reduce profits of succeeding periods,
 - (d) unrelieved group ring fence profits.

Status:

Point in time view as at 17/07/2012.

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