



Corporation Tax Act 2010

2010 CHAPTER 4

PART 5

GROUP RELIEF

CHAPTER 5

SUBSIDIARIES, GROUPS AND CONSORTIUMS

Explanations of terms

151 Meaning of “75% subsidiary” and “90% subsidiary”

- (1) In this Part “75% subsidiary” and “90% subsidiary” are to be read in accordance with Chapter 3 of Part 24, but subject to subsections (2) to (4).
- (2) In applying the definition of “75% subsidiary” in section 1154(3), share capital of a [F1 registered society] is to be treated as if it were ordinary share capital.
- (3) If—
 - (a) a company (“the shareholder”) directly owns shares in another company, and
 - (b) a profit on the sale of those shares would be a trading receipt of the shareholder,the shareholder is treated as not being the owner of those shares for the purpose of determining if any company is a 75% subsidiary of any other company.
- (4) If a company (“the subsidiary”) would, apart from this subsection, be treated as a 75% or 90% subsidiary of another company (“the parent”) at any time, the subsidiary is not to be so treated unless at that time the parent—
 - (a) is beneficially entitled to at least 75% or 90% (as the case may be) of any profits available for distribution to equity holders of the subsidiary (see Chapter 6), and

Changes to legislation: Corporation Tax Act 2010, Section 151 is up to date with all changes known to be in force on or before 03 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

- (b) would be beneficially entitled to at least 75% or 90% (as the case may be) of any assets of the subsidiary available for distribution to such equity holders on a winding up (see Chapter 6).

Textual Amendments

- F1** Words in s. 151(2) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 159](#) (with [Sch. 5](#))

Modifications etc. (not altering text)

- C1** Pt. 5 modified by 2009 c. 4, s. 1218ZDB(2) (as inserted (for specified purposes and with effect in accordance with Sch. 6 paras. 20, 21(1)(a) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 6 para. 1](#) (with [Sch. 6 para. 21\(3\)](#)))
- C2** S. 151(4) applied (with effect in accordance with Sch. 16 para. 62 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 16 para. 56\(3\)](#)

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

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

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))