

*Status: Point in time view as at 06/04/2023.*

*Changes to legislation: Finance Act 2011, Cross Heading: Large pre-commencement losses is up to date with all changes known to be in force on or before 29 June 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)*

## SCHEDULES

### SCHEDULE 13

#### PROFITS OF FOREIGN PERMANENT ESTABLISHMENTS ETC

#### PART 3

##### COMMENCEMENT AND TRANSITIONAL PROVISION

##### *Large pre-commencement losses*

- 34 (1) This paragraph applies if—
- (a) there is a relevant losses amount exceeding £50 million in the case of a company in relation to any relevant foreign territory for any accounting period beginning within the period of 6 years ending with the day before that on which this Act is passed, and
  - (b) (apart from this paragraph) the accounting period would not be an affected prior accounting period for the purposes of section 18J(2) of CTA 2009 (as inserted by this Schedule).
- (2) The accounting period, and every later accounting period of the company before the first relevant accounting period of the company which would not otherwise be an affected prior accounting period for those purposes, is an affected prior accounting period for those purposes.
- 35 (1) This paragraph applies if—
- (a) section 18O of CTA 2009 (as inserted by this Schedule) applies in relation to a transfer of business, and
  - (b) (apart from this paragraph) the effect of subsection (4) of that section would be that a relevant losses amount falling within paragraph 34(1)(a) would be ignored for the purposes of section 18J(2) of that Act.
- (2) There is to be added to the adjusted foreign permanent establishments amount in relation to the accounting period of the transferee in which the transfer took place a negative amount equal to that relevant losses amount.

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