



Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 9

RELIEF FOR BLAGAB TRADE LOSSES ETC

Restrictions

126 Restrictions in respect of non-trading deficit

- (1) The amount of a BLAGAB trade loss for an accounting period of an insurance company that is available for relief under—
- (a) section 37 of CTA 2010 (as applied by section 123), or
 - (b) Part 5 of CTA 2010 (group relief) (as applied by section 125),
- is to be reduced by the amount of any relevant non-trading deficit which the company has for the accounting period.

[^{F1}(1A) A loss falls within subsection (1B) so far as it—

- (a) would (apart from that subsection) be available for relief under section 124B (excess carried forward post-1 April 2017 losses: relief against total profits), and
- (b) arose in an accounting period for which the insurance company has a relevant non-trading deficit.

(1B) A loss (or amount of a loss) falling within this subsection is available for relief under section 124B only so far as it exceeds the amount of that relevant non-trading deficit.

(1C) A loss falls within subsection (1D) so far as it—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Section 126. (See end of Document for details)

- (a) is an amount which a company (“the surrendering company”) may surrender by virtue of section 188BB(4) (surrender of carried-forward BLAGAB trade losses), and
 - (b) arose in an accounting period for which the surrendering company has a relevant non-trading deficit.
- (1D) A loss (or amount of a loss) falling within this subsection is available for relief under Chapter 3 of Part 5A of CTA 2010 (claims for group relief) only so far as it exceeds the amount of that relevant non-trading deficit.
- (1E) For the purposes of subsections (1A) and (1C) it is to be assumed (where relevant) that in previous accounting periods losses which arose earlier have been utilised before losses which arose later.]
- (2) [^{F2}In this section references] to a relevant non-trading deficit for an accounting period [^{F3}are] to the non-trading deficit which the company [^{F4}has, calculated by reference only to credits and debits—
- (a) arising in respect of such of the company's loan relationships as are debtor relationships (see section 302(6) of CTA 2009), and
 - (b) referable, in accordance with Chapter 4, to the company's basic life assurance and general annuity business.]

Textual Amendments

- F1** S. 126(1A)-(1E) 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. 188(2)**
- F2** Words in s. 126(2) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 188(3)(a)**
- F3** Word in s. 126(2) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 188(3)(b)**
- F4** Words in s. 126(2) substituted (with effect in accordance with s. 67(5) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **s. 67(4)**

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2012, Section 126.