

## SCHEDULES

### SCHEDULE 5

#### RELIEF FOR CONTRIBUTIONS TO FLOOD AND COASTAL EROSION RISK MANAGEMENT PROJECTS

*Corporation tax: investment business*

- 6 In Chapter 3 of Part 16 of CTA 2009 (investment business: amounts treated as expenses of management), after section 1244 insert—

*“Contributions to flood and coastal erosion risk management projects*

#### **1244A Contributions to flood and coastal erosion risk management projects**

- (1) This section applies if a company with investment business (“the contributor”) incurs expenses in making a qualifying contribution to a qualifying flood or coastal erosion risk management project.
- (2) The expenses are treated for the purposes of Chapter 2 as expenses of management.
- (3) But if, in connection with the making of the contribution, the contributor or a connected person—
  - (a) receives a disqualifying benefit, or
  - (b) is entitled to receive such a benefit,no deduction is allowed under section 1219.
- (4) For the purposes of subsection (3) it does not matter whether a person receives, or is entitled to receive, the benefit—
  - (a) from the carrying out of the project, or
  - (b) from any person.
- (5) In this section “disqualifying benefit” means a benefit consisting of money or other property, but it does not include—
  - (a) a refund of the contribution, if the contribution is a sum of money;
  - (b) compensation for the contribution, if the contribution is the provision of services;
  - (c) a structure that—
    - (i) is or is to be used for the purposes of flood or coastal erosion risk management, and
    - (ii) is put in place in carrying out the project;
  - (d) an addition to a structure where—
    - (i) the structure is or is to be used for the purposes of flood or coastal erosion risk management, and

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*Status: This is the original version (as it was originally enacted).*

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- (ii) the addition is made in carrying out the project;
  - (e) land, plant or machinery that is or is to be used, in the realization of the project, for the purposes of flood or coastal erosion risk management;
  - (f) a right over land that is or is to be used, in the realization of the project, for the purposes of flood or coastal erosion risk management.
- (6) In subsection (5) “structure” includes road, path, pipe, earthwork, plant and machinery.
- (7) Section 86B applies for the purposes of this section as it applies for the purposes of section 86A.”