



Finance Act 2015

2015 CHAPTER 11

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

INCOME TAX: GENERAL

22 Miscellaneous loss relief

- (1) Chapter 7 of Part 4 of ITA 2007 (losses from miscellaneous transactions) is amended as follows.
- (2) In section 152 (losses from miscellaneous transactions)—
 - (a) for subsection (1) substitute—

“(1) If in a tax year (“the loss-making year”) a person makes a loss in a relevant transaction, the person may make a claim for loss relief against relevant miscellaneous income.”;
 - (b) in subsection (2)(a), for “section 1016 income” substitute “income on which income tax is charged under, or by virtue of, a relevant section 1016 provision (“the relevant provision”)”;
 - (c) after subsection (2) insert—

“(2A) A relevant section 1016 provision” means a provision to which section 1016 applies, other than—

 - (a) regulation 17 of the Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001) (treatment of participants in non-reporting funds: charge to tax on disposal of asset), or
 - (b) Chapter 9 of Part 4 of ITTOIA 2005 (gains from contracts for life insurance etc).”;
 - (d) in subsection (4), after “person's” insert “relevant”;

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- (e) in subsection (5), for “A person's miscellaneous income” substitute “ The person's “relevant miscellaneous income”, in relation to the loss, ”;
 - (f) for paragraph (b) of that subsection substitute—
 - “(b) income on which income tax is charged under, or by virtue of, the relevant provision.”;
 - (g) in subsection (7), before “miscellaneous”, in both places it appears, insert “ relevant ”;
 - (h) omit subsection (8);
 - (i) in subsection (9), omit the “and” at the end of paragraph (b) and after that paragraph insert—
 - “(ba) section 154A (anti-avoidance), and”.
- (3) In section 153 (how relief works), before “miscellaneous”, in each place it appears, insert “ relevant ”.
- (4) In section 154 (transactions in deposit rights), in subsection (3)—
- (a) after “against” insert “ relevant ”, and
 - (b) for the words from the second “miscellaneous” to the end substitute “ relevant miscellaneous income, for the tax year, in relation to the loss. ”
- (5) Before section 155 (time limit for claiming relief), but after the italic heading before that section (supplementary), insert—

“154A **Anti-avoidance**

- (1) Subsection (2) applies if—
 - (a) a person makes a loss in a relevant transaction, and
 - (b) that loss arises directly or indirectly in consequence of, or otherwise in connection with, relevant tax avoidance arrangements.
 - (2) The person is not to be given loss relief under section 152 for the loss.
 - (3) Subsection (4) applies if—
 - (a) a person has income on which income tax is chargeable under, or by virtue of, a relevant section 1016 provision, and
 - (b) that income arises directly or indirectly in consequence of, or otherwise in connection with, relevant tax avoidance arrangements.
 - (4) The person is not to be given loss relief against that income under section 152.
 - (5) In this section “relevant tax avoidance arrangements” means arrangements—
 - (a) to which the person is party, and
 - (b) the main purpose, or one of the main purposes, of which is to obtain a reduction in tax liability by means of loss relief under section 152.
 - (6) In subsection (5) “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”
- (6) In section 155 (time limit for claiming relief), in subsections (1) and (2), before “miscellaneous” insert “ relevant ”.
- (7) In consequence of subsection (2)(h), in FA 2009, omit section 69.

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- (8) The amendments made by subsections (2)(a) to (h), (3), (4), (6) and (7)—
 - (a) have effect for the tax year 2015-16 and subsequent tax years, and
 - (b) apply in relation to a loss whether it is made before, during or after that tax year.
- (9) The amendments made by subsections (2)(i) and (5) have effect in relation to losses and income arising on or after 3 December 2014 directly or indirectly in consequence of, or otherwise in connection with, relevant tax avoidance arrangements (whenever the arrangements are made).
- (10) Subsection (4) of section 154A of ITA 2007 (inserted by subsection (5) of this section) applies in relation to loss relief, under section 152 of that Act, for losses whenever made.
- (11) In relation to income arising on or after 3 December 2014 but before the beginning of the tax year 2015-16, section 154A of ITA 2007 has effect as if for paragraph (a) of subsection (3) of that section there were substituted—
 - “(a) a person has section 1016 income (within the meaning of section 152), and”.

Status:

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