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## SCHEDULES

### SCHEDULE 4

#### RELIEF FOR CARRIED-FORWARD LOSSES

#### PART 11

#### MINOR AND CONSEQUENTIAL AMENDMENTS

##### *CTA 2010*

- 145 CTA 2010 is amended as follows.
- 146 (1) Section 1 (overview of Act) is amended as follows.
- (2) In subsection (2) (list of reliefs provided by Parts 4 to 7) after paragraph (f) insert—  
“(fa) group relief for carried-forward losses (see Part 5A),”
- (3) After subsection (2) insert—  
“(2A) Part 7ZA contains provision restricting the amount of certain deductions which may be made in calculating the profits of a company on which corporation tax is chargeable.”
- 147 (1) Section 17 (interpretation of Chapter 4 of Part 2) is amended as follows.
- (2) In subsection (2) (meaning of “carried-back amount”)—
- (a) after paragraph (a) insert—  
“(aa) an amount carried back under section 45F (relief for terminal trade losses),” and
- (b) in paragraph (c) after “459(1)(b)” insert “ or 463B(1)(b) ”.
- (3) In subsection (3) (meaning of “carried-forward amount”)—
- (a) in paragraph (a) after “forward of” insert “ pre-1 April 2017 ”,
- (b) after paragraph (a) insert—  
“(aa) an amount carried forward under section 45A (carry forward of post 1-April 2017 trade loss against total profits),  
(ab) an amount carried forward under section 45B (carry forward of post-1 April 2017 trade loss against subsequent trade profits),” and
- (c) in paragraph (i) after “457(3)” insert “ , 463G(6) or 463H(4) ”.
- 148 (1) Section 46 (use of trade-related interest and dividends if insufficient trade profits) is amended as follows.
- (2) For subsection (1) substitute—

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- “(1) This section applies if in an accounting period a company carrying on a trade makes a loss in the trade and either—
- (a) relief for the loss could be given in a later accounting period under section 45(4)(b) or 45B(4) but for the fact that there are no profits of the trade of the later accounting period, or
  - (b) the amount of relief for the loss that could be given in a later accounting period under section 45(4)(b) or 45B(4) is limited by reason of the amount of profits of the trade of the later accounting period.”
- (3) In subsection (2) at the beginning insert “ For the purposes of section 45 and 45B, ”.
- 149 In section 47 (registered societies), in subsection (1), for “section 45” substitute “ sections 45 and 45B ”.
- 150 In section 53 (leasing contracts and company reconstructions), in subsection (1)(e), for “or 45” substitute “ , 45, 45A or 45B ”.
- 151 In section 54 (non-UK resident company: receipts of interest, dividends or royalties), in subsection (2), for “or 45” substitute “ , 45, 45A or 45B ”.
- 152 (1) Section 56 (restriction on reliefs for limited partners) is amended as follows.
- (2) In subsection (2)—
    - (a) in paragraph (a) after “37” insert “ or 45A ”,
    - (b) omit “or” at the end of paragraph (a), and
    - (c) after paragraph (b) insert “, or  
(c) under Part 5A (group relief for carried-forward losses)”.
  - (3) In subsection (4)—
    - (a) after “37” insert “ or 45A ”, and
    - (b) after “5” insert “ or 5A ”.
- 153 (1) Section 59 (restriction on relief for members of LLPs) is amended as follows.
- (2) In subsection (2)—
    - (a) in paragraph (a) after “37” insert “ or 45A ”,
    - (b) omit “or” at the end of paragraph (a), and
    - (c) after paragraph (b) insert “, or  
(c) under Part 5A (group relief for carried-forward losses)”.
  - (3) In subsection (4)—
    - (a) after “37” insert “ or 45A ”, and
    - (b) after “5” insert “ or 5A ”.
- 154 (1) Section 61 (unrelieved losses of member of LLP brought forward) is amended as follows.
- (2) In subsection (1), in the words before paragraph (a), for “This section” substitute “ Subsection (2) ”.
  - (3) After subsection (2) insert—
 

“(2A) Subsection (2B) applies if—

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- (a) a company (“the member company”) carries on a trade as a member of an LLP at a time during an accounting period (“the current period”), and
  - (b) as a result of section 59, relief under section 45A or Part 5A (group relief for carried forward losses) has not been given for an amount of loss made in the trade by the member company as a member of the LLP in a previous accounting period.
- (2B) For the purposes of determining the relief under section 45A or Part 5A to be given to any company, the amount of loss is treated as having been made by the member company in the current period so far as it is not excluded by subsection (3) or (4).”
- (4) In subsection (3)—
  - (a) after “37” insert “ or 45A ”, and
  - (b) after “Part 5” insert “ or Part 5A ”.
- 155 (1) Chapter 4 of Part 4 (property losses) is amended as follows.
- (2) In section 65 (UK furnished holiday lettings business treated as trade) for subsection (4A) substitute—
  - “(4A) Chapter 2 applies as if the following were omitted—
    - (a) sections 37 to 44,
    - (b) the words “beginning before 1 April 2017” in section 45(1),
    - (c) sections 45A to 45H, and
    - (d) sections 48 to 54.
  - (4B) Any deduction made under section 45(4)(b) from the profits of the trade treated as carried on under this section is to be ignored for the purposes of section 269ZB (restriction on deductions from trading profits).”
- (3) In section 67A (EEA furnished holiday lettings business treated as trade) for subsection (5) substitute—
  - “(5) Chapter 2 applies as if the following were omitted—
    - (a) sections 37 to 44,
    - (b) the words “beginning before 1 April 2017” in section 45(1),
    - (c) sections 45A to 45H, and
    - (d) sections 48 to 54.
  - (5A) Any deduction made under section 45(4)(b) from the profits of the trade treated as carried on under this section is to be ignored for the purposes of section 269ZB (restriction on deductions from trading profits).”
- 156 (1) Section 95 (write-off of government investment: meaning of “carry forward losses”) is amended as follows.
- (2) In subsection (1), in Type 1, after “45,” insert “ 45A, 45B, ”.
- (3) In subsection (2) after “(group relief)” insert “ or Part 5A (group relief for carried forward losses) ”.
- 157 In section 99 (surrendering of losses and other amounts) in subsection (1)(c) after “16” insert “ or 16A ”.

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- 158 In section 104 (meaning of “non-trading loss on intangible fixed assets” for purposes of section 99(1)(g)), for subsection (2) substitute—
- “(2) But it does not include a loss treated as a non-trading loss on intangible fixed assets for the surrender period as a result of section 753(3) of CTA 2009.”
- 159 In section 137 (giving of group relief: deduction from total profits) in subsection (5) (list of deductions to be made after group relief is given)—
- (a) omit “and” at the end of paragraph (b),
- (b) in paragraph (c) for “or 459” substitute “ , 459 or 463B ”, and
- (c) after paragraph (c) insert “, and
- (d) under section 188CK (giving of group relief for carried-forward losses: deductions from total profits)”.
- 160 In section 189(2) (relief for qualifying charitable donations) at the end insert “ and group relief for carried-forward losses ”.
- 161 In section 269DA (surcharge on banking companies) in subsection (2) (calculation of “surcharge profits”)—
- (a) in the formula, after “NBGR+” insert “ NBGRCF+ ”, and
- (b) after the definition of “NBGR” insert—
- ““NBGRCF” is the amount (if any) of non-banking group relief for carried-forward losses that is given in determining those taxable total profits (see section 269DBA);”.
- 162 After section 269DB insert—
- “269DBA Meaning of “non-banking group relief for carried-forward losses”**
- (1) In section 269DA(2) “non-banking group relief for carried-forward losses” means group relief for carried-forward losses that relates to losses or other amounts that the surrendering company has for a surrender period in relation to which it is not a banking company.
- (2) In this section “surrendering company” and “surrender period” have the same meaning as in Part 5A (see section 188FD).”
- 163 (1) Section 269DC (surcharge on banking companies: meaning of “non-banking or pre-2016 loss relief) is amended as follows.
- (2) In subsection (3)(b)—
- (a) after “45” insert “ , 45A or 45B ”, and
- (b) omit “trade” in the second place that word occurs.
- (3) In subsection (4)(b)—
- (a) after “457” insert “ , 463G or 463H ”, and
- (b) omit “non-trading”.
- (4) Omit subsection (5).
- 164 In section 385 (sales of lessors: no carry back of loss against the income) in subsection (2) after “periods)” insert “ or section 45F (relief for terminal trade losses) ”.
- 165 In section 398D (sales of lessors: restrictions on use of losses etc) after subsection (2) insert—

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- “(2A) Group relief for carried-forward losses is not to be given under Part 5A against so much of the total profits of A as are attributable to the carrying on of the relevant activity.”
- 166 In section 427 (sales of lessors: no carry back of loss against the income) in subsection (2) after “periods)” insert “ or section 45F (relief for terminal trade losses) ”.
- 167 (1) Chapter 5 of Part 9 (sales of lessors: anti-avoidance provisions) is amended as follows.
- (2) In section 432 (introduction to section 433)—
- (a) in subsection (1), in the words before paragraph (a), for “Section 433 applies” substitute “ Sections 433 and 433A apply ”, and
- (b) in subsection (2) after “that section” insert “ and section 433A ”.
- (3) In section 433 (restrictions on relief for expenses treated as incurred under Chapter 3 or 4)—
- (a) in subsection (3)—
- (i) in paragraph (a) after “of” insert “ pre-1 April 2017 ”,
- (ii) after that paragraph insert—
- “(ab) section 45B (carry forward of post-1 April 2017 trade loss against subsequent trade profits),”
- (b) in subsection (5) after “profits)” insert “ or section 45A (carry forward of trade loss against total profits) ”, and
- (c) in subsection (6)—
- (i) after “set off” insert “—
- (a)”,
- and
- (ii) at the end insert “, or
- (b) by way of group relief for carried-forward losses in accordance with Chapter 2 of Part 5A (surrender of company's carried forward losses)”.
- (4) After section 433 insert—
- “433A Restrictions not applying to the restricted loss amount**
- (1) Any deduction made under section 45 or 45B in respect of the restricted loss amount is to be ignored for the purposes of the restriction in section 269ZB (restriction on sum of deductions from trading profits).
- (2) Any deduction made under section 62 or 63 in respect of the restricted loss amount is to be ignored for the purposes of the restriction in section 269ZD (restriction on sum of deductions from total profits).”
- 168 In section 599 (real estate investment trusts: calculation of profits) after subsection (8) insert—
- “(9) No account is to be taken of Part 7ZA of this Act (restrictions on obtaining certain deductions in respect of carried-forward losses).”
- 169 In section 601 (availability of group reliefs to a group UK REIT) in subsection (2)—
- (a) omit “and” at the end of paragraph (f), and

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- (b) after paragraph (g) insert “, and  
     (h) Part 5A of this Act (group relief for carried-forward losses)”.
- 170 In section 705E (shell companies: restriction on relief for non-trading loss on intangible fixed assets), in subsection (3)(b), for “debit of” substitute “ loss on intangible fixed assets for ”.
- 171 In section 705F(2) (shell companies: apportionment of amounts), in column 1 of the table—
- (a) in row 4, after “457(1)” insert “ , 463G or 463H ”,  
 (b) in row 4, omit “basic rule for deficits:”,  
 (c) in row 5, omit from “, but excluding” to the end, and  
 (d) in row 6, omit from “and treated” to the end.
- 172 In section 730C (disallowance of deductible amounts: relevant claims) in subsection (2) (meaning of “relevant claim”)—
- (a) omit “or” at the end of paragraph (a),  
 (b) after paragraph (a) insert—  
     “(aa) section 45A (carry forward of post-1 April 2017 trade loss against total profits),” and  
 (c) after paragraph (b) insert “, or  
     (c) Chapter 3 of Part 5A (group relief for carried-forward losses)”.
- 173 (1) Section 888 (restrictions on leasing partnership losses) is amended as follows.
- (2) In subsection (3) after “37” insert “ or 45A ”.
- (3) In subsection (4)—
- (a) after “set off” insert “—  
     (a)”,  
     and  
 (b) at the end insert “, or  
     (b) by way of group relief for carried-forward losses in accordance with Chapter 2 of Part 5A (surrender of company's carried-forward losses etc)”.
- (4) In subsection (6) in the definition of “relevant loss relief provision”—
- (a) in paragraph (a) after “of” insert “ pre-1 April 2017 ”, and  
 (b) after that paragraph insert—  
     “(ab) section 45B (carry forward of post-1 April 2017 trade loss against subsequent trade profits),”.
- 174 (1) Schedule 4 (index of defined expressions) is amended as follows.
- (2) At the appropriate places insert—

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“the claimant company (in Part 5A)	section 188FD”
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“the claim period (in Part 5A)	section 188FD”
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“company (in Part 5A)	section 188FD”
““group relief for carried-forward losses”	section 188AA(4)”
“holding company (in Part 5A)	section 188FC(2)”
“member of a consortium (in Part 5A)	section 153(2) (applied by section 188FB)”
“member of the same group of companies (in Part 5A)	section 152 (applied by section 188FB)”
“owned by a consortium (in Part 5A)	section 153(1) and (3) (applied by section 188FB)”
“profits (in Part 5A)	section 188FD”
““the specified loss-making period” (in Part 5A)	section 188FD”
“75% subsidiary (in Part 5A)	section 151 (applied by section 188FB)”
“the surrenderable amounts (in Part 5A)	section 188FD”
“the surrendering company (in Part 5A)	section 188FD”
“the surrender period (in Part 5A)	section 188FD”
“trade (in Part 5A)	section 188FD”
“trading company (in Part 5A)	section 188FC(1)”

(3) In the entry for “75% subsidiary (except in Part 5)” after “Part 5” insert “ and Part 5A ”.

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