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**Changes to legislation:** There are currently no known outstanding effects for the Finance (No. 2) Act 2017, Cross Heading: Parts 1 to 9 and 11. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 4

#### RELIEF FOR CARRIED-FORWARD LOSSES

#### PART 12

##### COMMENCEMENT ETC

##### *Parts 1 to 9 and 11*

- 190 (1) The amendments made by Parts 1 to 9 and 11 of this Schedule have effect in relation to accounting periods beginning on or after 1 April 2017.
- (2) For the purposes of those amendments, where a company has an accounting period beginning before 1 April 2017 and ending on or after that date (“the straddling period”)—
- (a) so much of the straddling period as falls before 1 April 2017, and so much of that period as falls on or after that date, are treated as separate accounting periods, and
  - (b) where it is necessary to apportion an amount for the straddling period to the two separate accounting periods, it is to be apportioned—
    - (i) in accordance with section 1172 of CTA 2010 (time basis), or
    - (ii) if that method would produce a result that is unjust or unreasonable, on a just and reasonable basis.
- (3) But sub-paragraph (2)(b) is to be ignored if paragraph 191 or 192 applies.
- 191 (1) This paragraph applies if—
- (a) an accounting period of a company (“the straddling period”) is treated as two separate accounting periods under paragraph 190(2)(a),
  - (b) it is necessary to apportion an amount (“the amount concerned”) for the straddling period to the two separate accounting periods, and
  - (c) the amount concerned is either—
    - (i) an amount chargeable to corporation tax which would have been less but for Part 10 of TIOPA 2010 (corporate interest restriction), or
    - (ii) an amount in respect of which corporation tax relief is available which would have been greater but for Part 10 of TIOPA 2010.
- (2) The amount concerned is to be apportioned as follows—
- Step 1* Determine what the amount concerned would have been but for Part 10 of TIOPA 2010 (“the notional amount”).
- Step 2* Determine what amount of the notional amount would have been apportioned to the first separate accounting period had paragraph 190(2)(b) applied (“the notional apportioned amount”). If the notional apportioned

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amount is less than the amount concerned, proceed with steps 3 and 4. If the notional apportioned amount is equal to or greater than the amount concerned, the whole of the amount concerned is to be apportioned to the first separate accounting period.

*Step 3* Take so much of the amount concerned as is equal to the notional apportioned amount and apportion it to the first accounting period.

*Step 4* Take the remainder of the amount concerned and apportion it to the second separate accounting period.

- 192 (1) This paragraph applies if—
- (a) an accounting period of a company (“the straddling period”) is treated as two separate accounting periods under paragraph 190(2)(a),
  - (b) it is necessary to apportion an amount (“the amount concerned”) for the straddling period to the two separate accounting period,
  - (c) the amount concerned is an amount chargeable to corporation tax, and
  - (d) the amount concerned would not have arisen but for Part 10 of TIOPA 2010 (whether or not an amount in respect of which corporation tax relief would have been available would have arisen instead).
- (2) The whole of the amount concerned is apportioned to the second separate accounting period.

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