
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Paragraph 12. (See end of Document for details)

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Insurance companies: ring fence

- 12 (1) Section 210A of TCGA 1992 (insurance: ring-fencing of losses) is amended as follows.
- (2) In subsection (2), after “to the company”, in the first place it occurs, insert “ as permitted by subsection (2A) ”.
- (3) After subsection (2) insert—
- “(2A) The following deductions may be made from the shareholders' share of the BLAGAB chargeable gains accruing to the company in an accounting period—
- (a) any available non-BLAGAB allowable losses accruing to the company in the period may be deducted under section 2A(1)(a), and
- (b) after making any deductions within paragraph (a), any available non-BLAGAB allowable losses previously accruing to the company, which have not been allowed as a deduction from chargeable gains accruing in the period or in any previous accounting period, may (subject to section 269ZFC of CTA 2010) be deducted under section 2A(1)(b).
- (2B) But those deductions may not reduce the shareholders' share of BLAGAB chargeable gains below nil.
- (2C) The amount of “available non-BLAGAB allowable losses” accruing to a company in an accounting period is the amount by which the non-BLAGAB allowable losses accruing to the company in the accounting period exceed the non-BLAGAB chargeable gains so accruing.”
- (4) In subsection (6)(a)—
- (a) omit “amount by which”, and
- (b) omit “exceeds the shareholders' share of BLAGAB chargeable gains so accruing”.
- (5) In subsection (8), in the words before paragraph (a)—
- (a) for “If the” substitute “ If there are ”, and
- (b) omit “exceed the BLAGAB allowable losses so accruing”.

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- (6) In subsection (8)(b), after “deduction” insert “, under step 2 of section 75(1) of FA 2012,”.
- (7) For subsection (9) substitute—
- “(9) If there are BLAGAB allowable losses accruing to the company in the subsequent accounting period, the amount arrived at under subsection (7) (a) is increased by the shareholders' share of the amount of those allowable losses.”
- (8) In subsection (13)—
- (a) in the definition of “BLAGAB allowable losses”, at the end insert “ but excluding any allowable losses deducted under step 2 of section 75(1) of FA 2012 in determining the BLAGAB chargeable gains of the company for an accounting period,”;
- (b) in the definition of “BLAGAB chargeable gains”, after “means chargeable gains” insert “ (as adjusted for allowable losses in accordance with section 75 of FA 2012) ”.

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