
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2020, Paragraph 13. (See end of Document for details)*

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Insurance companies: ring fence

13 After section 269ZFB of CTA 2010 insert—

“269ZFC Restriction on deductions of non-BLAGAB allowable losses from BLAGAB chargeable gains

- (1) This section has effect for determining the taxable total profits of an insurance company for an accounting period.
- (2) The sum of any deductions of non-BLAGAB allowable losses from the shareholders' share of BLAGAB chargeable gains made by an insurance company for an accounting period under section 2A(1)(b) of TCGA 1992, as permitted by section 210A(2A)(b) of that Act, may not exceed the relevant maximum.
- (3) In this section, the “relevant maximum” means the sum of—
 - (a) 50% of the company's relevant BLAGAB chargeable gains for the accounting period, and
 - (b) the amount of the company's BLAGAB deductions allowance for the accounting period.
- (4) A company's “relevant BLAGAB chargeable gains” for an accounting period are—
 - (a) the shareholders' share of the BLAGAB chargeable gains for the accounting period, after any reduction under section 210A(2A)(a) of TCGA 1992, less
 - (b) the amount of the company's BLAGAB deductions allowance for the accounting period.

But if the allowance mentioned in paragraph (b) exceeds the shareholders' share of the BLAGAB chargeable gains mentioned in paragraph (a), the company's “relevant BLAGAB chargeable gains” for the accounting period are nil.

- (5) A company's “BLAGAB deductions allowance” for an accounting period—

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- (a) is so much of the company's deductions allowance for the period as is specified in the company's tax return as its BLAGAB deductions allowance for the period, and
 - (b) accordingly, is nil if no amount of the company's deductions allowance for the period is so specified.
- (6) An amount specified under subsection (5)(a) as the company's BLAGAB deductions allowance for an accounting period may not exceed the difference between—
 - (a) the amount of the company's deductions allowance for the period, and
 - (b) the total of any amounts specified for the period under section 269ZB(7)(a) (trading profits deductions allowance), section 269ZBA(5)(a) (chargeable gains deductions allowance) and section 269ZC(5)(a) (non-trading income profits deductions allowance).
- (7) In this section, “BLAGAB chargeable gains”, “insurance company” and “the shareholders' share of BLAGAB chargeable gains” have the same meaning as in section 210A of TCGA 1992.”

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