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STATUTORY INSTRUMENTS

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**2012 No. 764**

**The Postal Services Act 2011 (Taxation) Regulations 2012**

**PART 2**

**Corporation Tax**

**Extinguishment of relevant losses of RMGL**

4.—(1) With effect from the first day of the first qualifying accounting period, the relevant losses of RMGL are to be treated for the purposes of corporation tax as extinguished.

(2) The amount of the relevant losses that are to be treated as extinguished in accordance with paragraph (1) is the sum of the relevant loss incurred in each accounting period prior to the final accounting period.

(3) In this regulation a loss is a relevant loss for an accounting period (“the relevant accounting period”) if—

- (a) the loss was incurred in the trade carried on by RMGL in the relevant accounting period; and
- (b) the loss is included in the losses carried forward to the first qualifying accounting period as an unrelieved loss in accordance with section 45 of the Corporation Tax Act 2010 (carry forward of trade loss against subsequent trade profits),

but this paragraph is subject to paragraph (4).

(4) A loss is not a relevant loss for the purposes of paragraph (3) to the extent that it is attributable to deductions in the computation of the loss for an accounting period for contributions that are excluded contributions.

(5) For the purposes of this regulation—

- (a) losses incurred by RMGL are the losses computed in accordance with section 47 of the Corporation Tax Act 2009 (losses calculated on the same basis as profits); and
- (b) a loss is an unrelieved loss for an accounting period if no relief has been given in respect of the loss under section 37 (relief for trade losses against total profits) or Part 5 of the Corporation Tax Act 2010 (group relief).