

*These notes refer to the Income Tax Act 2007 (c.3)  
which received Royal Assent on 20 March 2007*

# **INCOME TAX ACT 2007**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 4: Loss relief**

##### **Overview**

#### *Chapter 2: Trade losses*

##### **Overview**

#### *Section 87: Ring fence trades*

302. This section provides that a loss in a tax year derived from oil-related activities can be deducted from the profits of a trade in a future tax year so far as the profits are derived from activities which would be treated as part of the same trade as the oil-related activities but for the ring-fencing rules. It is based on section 492(4) of ICTA.