These notes refer to the Finance Act 2009 (c.10) which received Royal Assent on 21 July 2009

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 68: Employment Loss Relief

Background Note

6. Section 128 of ITA enables employees to claim relief in respect of a loss made in an employment. Allowable losses may be offset against general income arising in the loss making year, the previous year or both. These provisions counter avoidance involving the abusive use of reliefs available for losses associated with employment. They are introduced in response to arrangements that involve the creation of a loss through deliberate default and are a variant of tax avoidance arrangements using relief for employment-related liabilities, for which counter-measures were announced on 13 January 2009 and publicised on the HM Revenue & Customs website on 12 January 2009.

7. The changes introduced by this measure were announced on 1 April 2009 by a Written Ministerial Statement tabled by the Financial Secretary to the Treasury. A Technical Note explaining who would be affected and how was published on the HM Revenue & Customs website on 1 April 2009. This Note also included further detail about the provisions relating to penalties and surcharges for people who have made a claim between 12 January 2009 and 1 April 2009.