Corporation Tax Act 2010

2010 CHAPTER 4

PART 8

OIL ACTIVITIES

CHAPTER 5

RING FENCE EXPENDITURE SUPPLEMENT

Pre-commencement supplement

[F1 318A Adjustment of pool to remove pre-2013 expenditure after the initial 6 periods

(1) This section applies for the purposes of determining the amount of any pre-commencement supplement on any claim made by a company for supplement under this Chapter in respect of an accounting period which is one of the additional 4 periods.

(2) The pool which (under section 316) the company is to be taken to have had, at all times in the pre-commencement periods of the company, is to be taken to have been reduced at the time specified in subsection (4).

(3) The amount of the reduction is the sum of—

(a) the relevant amount (if any) which the company carries forward under Schedule 19B to ICTA,

(b) the total amount of qualifying pre-commencement expenditure allocated to the pool for pre-commencement periods beginning before 5 December 2013, and

(c) the total amount of the company's pre-commencement supplement allocated to the pool for pre-commencement periods beginning before that date.

(4) The time is—

(a) immediately after the last of the initial 6 periods, or

(b) if later, 5 December 2013.

(5) Subsection (3) of section 317 (reduction in respect of disposal receipts under CAA 2001) has effect as if the reference in paragraph (a) of that subsection to "all such events" did not include events occurring in relation to an asset representing expenditure incurred before 5 December 2013.

(6) Where a company has a pre-commencement period ("the straddling 2013 period") which begins before 5 December 2013 and ends on or after that date, for the purposes of making a reduction under this section—

(a) so much of the straddling 2013 period as falls before 5 December 2013 ("the pre-2013 period"), and

(b) so much of that period as falls on or after that date ("the post-2013 period"),

are to be treated as separate pre-commencement periods.

(7) Accordingly, any amount of qualifying pre-commencement expenditure, and any amount of the company's pre-commencement supplement, allocated to the pool for the straddling 2013 period is to be—

(a) apportioned between the pre-2013 period and the post-2013 period in proportion to the number of days in each, and

(b) treated as allocated to the pool in question for the period in question (rather than the straddling 2013 period).

(8) If the basis of the apportionment in subsection (7) would work unjustly or unreasonably in the company's case, the company may elect for the apportionment to be made on another basis that is just and reasonable and specified in the election.**]**

Textual Amendments

F1 S. 318A inserted (with effect in accordance with Sch. 11 para. 14 of the amending Act) by Finance Act 2015 (c. 11), **Sch. 11 para. 7**

Changes to legislation:
There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 318A.