

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Restriction on deduction from chargeable gains: main provisions

2 After section 269ZB insert—

“269ZBA Restriction on deductions from chargeable gains

- (1) This section has effect for determining the taxable total profits of a company for an accounting period.
- (2) The sum of any deductions made by the company for the accounting period under section 2A(1)(b) of TCGA 1992 (allowable losses accruing in earlier accounting periods) may not exceed the relevant maximum.

But this is subject to subsection (7).

- (3) In this section the “relevant maximum” means the sum of—
 - (a) 50% of the company’s relevant chargeable gains for the accounting period, and
 - (b) the amount of the company’s chargeable gains deductions allowance for the accounting period.
- (4) Section 269ZF contains provision for determining a company’s relevant chargeable gains for an accounting period.
- (5) A company’s “chargeable gains deductions allowance” for an accounting period—
 - (a) is so much of the company’s deductions allowance for the period as is specified in the company’s tax return as its chargeable gains 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 a company’s chargeable gains 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—

Status: This is the original version (as it was originally enacted).

- (i) section 269ZB(7)(a) (trading profits deductions allowance),
 - (ii) section 269ZC(5)(a) (non-trading income profits deductions allowance), and
 - (iii) in the case of an insurance company, section 269ZFC(5)(a) (BLAGAB deductions allowance).
- (7) Subsection (2) does not apply in relation to a company for an accounting period where, in determining the company’s qualifying chargeable gains for the period, the amount given by step 1 in section 269ZF(3) is not greater than nil.”