

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Insolvent companies

8 After section 269ZW insert—

“269ZWA Increase of deductions allowance for insolvent companies

- (1) This section applies in relation to a company if—
 - (a) the company has gone into insolvent liquidation (see subsection (4)),
or
 - (b) a corresponding situation exists in relation to the company in a country or territory outside the United Kingdom.
- (2) The company’s deductions allowance for a winding up accounting period (as determined in accordance with section 269ZR or 269ZW) is to be treated (for all purposes) as increased by—
 - (a) the amount of chargeable gains accruing to the company in the accounting period after deducting any allowable losses accruing to the company in the period, or
 - (b) if lower, the amount of any allowable losses previously accruing to the company, so far as not previously deducted under section 2A(1) of TCGA 1992.
- (3) In determining the amount of chargeable gains accruing to the company in a winding up accounting period for the purposes of subsection (2), ignore—
 - (a) any chargeable gains (but not any allowable losses) accruing to the company on the disposal of an asset if—
 - (i) section 171(1) of TCGA 1992 (transfers within a group: no gain no loss) applied in relation to the disposal by which the company acquired the asset (the “no gain/no loss disposal”),
 - (ii) the asset was acquired by the company, by virtue of the no gain/no loss disposal, in a winding up accounting period, and
 - (iii) the company making the no gain/no loss disposal has not, at that time, gone into insolvent liquidation, and
 - (b) any chargeable gains (but not any allowable losses) transferred to the company in accordance with an election made under section 171A

Status: This is the original version (as it was originally enacted).

of TCGA 1992 (election to reallocate gain or loss to another member of the group) if—

- (i) the election is made in a winding up accounting period, and
- (ii) the company from which the chargeable gain is transferred has not, at the time the election is made, gone into insolvent liquidation.

(4) For the purposes of this section, a company has gone into insolvent liquidation if—

- (a) it has gone into liquidation, within the meaning of section 247(2) of the Insolvency Act 1986 or article 6(2) of the Insolvency (Northern Ireland) Order 1989 ([SI 1989/2405 \(NI 19\)](#)), and
- (b) at the time it goes into liquidation, its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up.

(5) In this section a “winding up accounting period” means—

- (a) the accounting period of the company that begins when the winding up starts (within the meaning of section 12(7) of CTA 2009), and
- (b) each subsequent accounting period.”