
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, SCHEDULE 7. (See end of Document for details)

SCHEDULES

SCHEDULE 7

Section 41

RPDT RELIEFS

PART 1

RPDT LOSS RELIEF

Introduction

- 1 This Part of this Schedule provides that if a company makes an adjusted trading loss in an accounting period the company is to be given relief from RPDT in a subsequent accounting period.

Carry forward of a trading loss to next accounting period

- 2 (1) Sub-paragraph (2) applies if—
- (a) in an accounting period (“the loss-making period”) an RP developer has an adjusted trading loss,
 - (b) relief is not given for an amount of the loss (“the unrelieved amount”) under Part 2 or 3 of this Schedule (RPDT group reliefs), and
 - (c) the RP developer is an RP developer in the next accounting period (“the later period”).
- (2) The unrelieved amount is carried forward to the later period and relief for the RP developer is given in accordance with sub-paragraph (3).
- (3) The relief is to be given effect in the later period in accordance with section 38 as “allowable RPDT loss relief”.
- (4) But sub-paragraph (3) is subject to sub-paragraphs (5) and (6) and section 42.
- (5) Sub-paragraph (6) applies in relation to any amount of the unrelieved amount that is greater than the maximum deduction for the later period permitted by section 42 (“the excess amount”).
- (6) The excess amount is carried forward to the accounting period after the later period (“the further period”) instead of being given effect in the later period (see paragraph 3).

Carry forward of trading losses to subsequent accounting periods

- 3 (1) Sub-paragraph (2) applies if—
- (a) an amount of an adjusted trading loss is carried forward to a later period under paragraph 2(2),
 - (b) the RP developer has an excess amount, and

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, SCHEDULE 7. (See end of Document for details)

- (c) the RP developer is an RP developer in the further period.
- (2) Paragraph 2(2) to (6) apply as if—
- (a) references to the unrelieved amount were to the excess amount, and
 - (b) references to the later period were to the further period.

PART 2

RPDT GROUP RELIEF

Introduction

- 4 (1) This Part of this Schedule allows—
- (a) a company (“the surrendering company”) to surrender an adjusted trading loss it has for an accounting period to another company (“the claimant company”) that is part of the same relief group, and
 - (b) enables the claimant company to claim relief from RPDT for that loss.
- (2) The relief mentioned in sub-paragraph (1) is called “RPDT group relief”.
- 5 In this Part of this Schedule, in relation to an adjusted trading loss that a company has for an accounting period—
- “surrender period” means an accounting period for which the surrendering company has the loss;
 - “surrenderable amounts” means an adjusted trading loss so far as eligible for surrender under this Part of this Schedule.
- 6 In this Part of this Schedule, “company” means any body corporate.

Surrender of company’s losses for an accounting period

- 7 (1) Sub-paragraph (2) applies if—
- (a) a surrendering company has an adjusted trading loss for a surrender period, and
 - (b) the company is part of a relief group.
- (2) The surrendering company may surrender the loss.

Claims for RPDT group relief

- 8 (1) This paragraph applies in relation to the surrendering company’s surrenderable amounts for the surrender period under paragraph 7.
- (2) The claimant company may make a claim for RPDT group relief for an accounting period (“the claim period”) in relation to those amounts (in whole or in part) if—
- (a) the surrendering company consents to the claim,
 - (b) there is a period (“the overlapping period”) that is common to the claim period and the surrender period, and
 - (c) at a time during the overlapping period the surrendering company and the claimant company are part of the same relief group.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, SCHEDULE 7. (See end of Document for details)

- (3) More than one company may make a claim for RPDT group relief in relation to any surrenderable amounts (but the giving of RPDT group relief in relation to any claim is subject to the provisions of this Part of this Schedule).
- (4) Paragraph 70(3) and (4) of Schedule 18 to FA 1998 apply for the purposes of any consent given under this paragraph.

Giving of RPDT group relief

- 9
- (1) If a claimant company makes a claim under paragraph 8, the relief is to be given effect in accordance with section 38 as “allowable RPDT group relief”.
 - (2) The amount of the relief is—
 - (a) an amount equal to the surrendering company’s surrenderable amounts for the surrender period, or
 - (b) if the claim is in relation to only part of those amounts, an amount equal to that part.

But this is subject to section 42 and paragraph 10.

- (3) The deduction of the relief under section 38 is to be made after the deduction of any relief under Part 1 of this Schedule but before the deduction of any relief under Part 3 of this Schedule.

Limitation on amount of RPDT group relief to be given

- 10
- (1) Paragraph 9(2) is subject to the limitation in sections 138 to 142 of CTA 2010 (general limitation on amount of group relief to be given) as if those sections applied to RPDT group relief under this Part of this Schedule as they apply to group relief under Part 5 of that Act.
 - (2) For the purposes of sub-paragraph (1)—
 - (a) section 140 of CTA 2010 (unrelieved part of claimant company’s available total profits) has effect as if—
 - (i) in subsection (7), for the words from “references to its” to the end there were substituted “references to its adjusted trading profits (within the meaning of section 39 of FA 2022) after the deduction of any relief given under Part 1 of Schedule 7 to FA 2022.”;
 - (ii) subsection (8) were omitted;
 - (b) section 142 of CTA 2010 (meaning of the “overlapping period”) has effect as if—
 - (i) in subsection (1) for the words in parenthesis there were substituted “(see paragraph 8(2)(b) of Schedule 7 to FA 2022)”;
 - (ii) in subsection (3), for the words from “group relief condition is the” to the end there were substituted “requirement in paragraph 8(2)(c) of Schedule 7 to FA 2022”.

Arrangements for transfer of companies

- 11
- Sections 154 and 155A to 156 of CTA 2010 (arrangements for transfer of member of group of companies etc) apply for the purposes of this Part of this Schedule as

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they apply for the purposes of Part 5 of that Act, but as if the references in sections 155A(1) and 155B(1) to “or 155(3)” were omitted.

PART 3

RPDT GROUP RELIEF FOR CARRIED-FORWARD LOSSES

Introduction

- 12 (1) This Part of this Schedule—
- (a) allows a company (“the surrendering company”) to surrender an adjusted trading loss that has been carried forward to an accounting period of the company (see Part 1 of this Schedule) to another company (“the claimant company”) that is part of the same relief group, and
 - (b) enables the claimant company to claim relief from RPDT for those losses.
- (2) The relief mentioned in sub-paragraph (1) is called “RPDT group relief for carried-forward losses”.
- 13 In this Part of this Schedule, in relation to losses that a company has carried forward to an accounting period—
- “surrender period” means an accounting period to which the surrendering company has carried forward losses;
- “surrenderable amounts” means an adjusted trading loss so far as eligible for surrender under this Part of this Schedule.
- 14 In this Part of this Schedule, “company” means any body corporate.

Surrender of company’s carried-forward losses for an accounting period

- 15 (1) Sub-paragraph (2) applies if—
- (a) an adjusted trading loss is carried forward to a surrender period of a surrendering company under Part 1 of this Schedule,
 - (b) relief under that Part is not given for an amount of the loss (“the unrelieved amount”), and
 - (c) the company is part of a relief group.
- (2) The surrendering company may surrender the unrelieved amount.

Claims for RPDT group relief for carried-forward losses

- 16 (1) This paragraph applies in relation to the surrendering company’s surrenderable amounts for a surrender period under paragraph 15.
- (2) The claimant company may make a claim for group relief for carried-forward losses for an accounting period (“the claim period”) if in relation to those amounts (in whole or in part)—
- (a) the surrendering company consents to the claim,
 - (b) there is a period (“the overlapping period”) that is common to the claim period and the surrender period, and
 - (c) at a time during the overlapping period the surrendering company and the claimant company are part of the same relief group.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, SCHEDULE 7. (See end of Document for details)

- (3) More than one company may make a claim for group relief for carried-forward losses in relation to any surrenderable amounts (but the giving of group relief in relation to any claim is subject to the provisions of this Part of this Schedule).
- (4) Paragraph 70(3) and (4) of Schedule 18 to FA 1998 apply for the purposes of any consent given under this paragraph.

Giving of RPDT group relief for carried-forward losses

- 17 (1) If a claimant company makes a claim under paragraph 16, the relief is to be given effect in accordance with section 38 as “allowable RPDT group relief for carried-forward losses”.
- (2) The amount of the relief is—
- (a) an amount equal to the surrendering company’s surrenderable amounts for the surrender period, or
 - (b) if the claim is in relation to only part of those amounts, an amount equal to that part.

But this is subject to section 42 and paragraph 18.

- (3) The deduction of the relief under section 38 is to be made after the deduction of any relief under Part 1 or 2 of this Schedule.

Limitation on amount of group relief for carried-forward losses to be given

- 18 (1) Paragraph 17(2) is subject to the limitation in sections 188DB to 188DG of CTA 2010 (general limitation on amount of group relief for carried-forward losses to be given) as if those sections applied to RPDT group relief for carried-forward losses under that paragraph as they apply to group relief for carried-forward losses under section 188CB of that Act.
- (2) For the purposes of sub-paragraph (1)—
- (a) section 188DC of CTA 2010 (unused part of the surrenderable amounts) has effect as if subsection (4)(a)(ii) were omitted;
 - (b) section 188DD of CTA 2010 (claimant company’s relevant maximum for overlapping period) has effect as if—
 - (i) in subsection (1), in Step 1, for “section 269ZD(4)” there were substituted “section 42 of FA 2022”;
 - (ii) in subsection (1), for Step 2 there were substituted—

“Step 2

Deduct from that amount the sum of any deductions made by the company for the claim period under paragraphs 2(3) and 9(1) of Schedule 7 to FA 2022.”;
 - (iii) subsections (2), (3), (3A) and (5) were omitted;
 - (c) section 188DE of CTA 2010 (previously claimed group relief for carried-forward losses) has effect as if in subsection (2)(a) “or 188CC” were omitted;
 - (d) section 188DG of CTA 2010 (meaning of the “overlapping period”) has effect as if—
 - (i) in subsection (1) for the words in parenthesis there were substituted “(see paragraph 16(2)(b) of Schedule 7 to FA 2022)”;

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, SCHEDULE 7. (See end of Document for details)

- (ii) in subsection (3), for the words from “group relief condition is the” to the end there were substituted “requirement in paragraph 16(2)(c) of Schedule 7 to FA 2022”.

PART 4

SUPPLEMENTARY PROVISION

Payments for relief

- 19 (1) This paragraph applies if—
- (a) a surrendering company and a claimant company (within the meaning of Part 2 or 3 of this Schedule) have an agreement between them in relation to adjusted trading losses of the surrendering company (“the agreed loss amounts”),
 - (b) RPDT group relief, or RPDT group relief for carried-forward losses, is given to the claimant company in relation to the agreed loss amounts, and
 - (c) as a result of the agreement the claimant company makes a payment to the surrendering company that does not exceed the total amount of the agreed loss amounts.
- (2) The payment is not to be taken into account in determining the profits or losses of either company under section 39 (adjusted trading profits and losses).

Change in company ownership

- 20 Part 14 of CTA 2010 (change in company ownership) applies, with any necessary modifications, in relation to RPDT group relief under Part 2 of this Schedule, and RPDT group relief for carried-forward losses under Part 3 of this Schedule, as it applies in relation to loss relief under Parts 5 and 5A to that Act (group reliefs).

Meaning of “relief group”

- 21 For the purposes of this Schedule, two companies are part of the same “relief group” if—
- (a) one is the 75% subsidiary of the other, or
 - (b) both are 75% subsidiaries of a third company.

Meaning of “adjusted trading loss”

- 22 For the purposes of this Schedule, references to an RP developer’s “adjusted trading loss” for an accounting period include—
- (a) any amount by which joint venture losses that are attributable to that RP developer for period in accordance with section 40 exceed any adjusted trading profits that the RP developer has for that period;
 - (b) the sum of—
 - (i) any adjusted trading losses that the RP developer has for that period, and
 - (ii) any joint venture losses that are attributable to the RP developer for that period in accordance with section 40.

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