

2018 No. 9

CORPORATION TAX

The Corporation Tax (Simplified Arrangements for Group Relief) (Amendment) Regulations 2018

<i>Made</i> - - - -	<i>8th January 2018</i>
<i>Laid before the House of Commons</i>	<i>9th January 2018</i>
<i>Coming into force</i> - -	<i>30th January 2018</i>

The Treasury make the following Regulations in exercise of the powers conferred by paragraph 77 of Schedule 18 to the Finance Act 1998(a).

Citation and commencement

1. These Regulations may be cited as the Corporation Tax (Simplified Arrangements for Group Relief) (Amendment) Regulations 2018 and come into force on 30th January 2018.

Amendment of the Corporation Tax (Simplified Arrangements for Group Relief) Regulations 1999

2. The Corporation Tax (Simplified Arrangements for Group Relief) Regulations 1999(b) are amended as follows.

3. In regulation 2 (introductory)—

- (a) the text from “for the” to the end becomes paragraph (a), and
- (b) after paragraph (a) insert—

“, and

- (b) the surrendering and claiming of group relief for carried-forward losses in relation to any accounting period of a claimant company beginning on or after 1st April 2017.”.

4. In regulation 3 (interpretation)—

- (a) in paragraph (1)—
 - (i) omit the definition of “the Board”,
 - (ii) in the definition of “claimant company”, for “section 402(1)” substitute “sections 130(2), 188CB(2) and 188CC(2)(c)”,

(a) 1998 c. 36; paragraph 77 was amended by section 99 of the Finance Act 2000 (c. 17) and section 18 of, and paragraph 122 of Schedule 4 to, the Finance (No. 2) Act 2017 (c. 32).
(b) S.I. 1999/2975, amended by S.I. 2000/3228.
(c) 2010 c. 4; sections 188CB(2) and 188CC(2) were inserted by paragraph 23 of Schedule 4 to the Finance (No. 2) Act 2017 (c. 32).

- (iii) in the definition of “consortium company”, for “section 406(1)(b)” substitute “section 153”,
 - (iv) for the definition of “group of companies”, substitute—
 - ““group of companies” has the meaning given by section 152;”,
 - (v) for the definition of “group relief”, substitute—
 - ““group relief” shall be construed in accordance with Part 5;”,
 - (vi) after the definition of “group relief”, insert—
 - ““group relief for carried-forward losses” shall be construed in accordance with Part 5A(a);”,
 - (vii) in the definition of “member of the consortium”, for “section 413(6)” substitute “section 153”, and
 - (b) in paragraph (2), for “, without more, are to that section of the Income and Corporation Taxes Act 1988(b)” substitute “or Part, without more, are to that section or Part of the Corporation Tax Act 2010(c)”.
- 5. In regulation 6 (application by authorised company)—**
- (a) in paragraph (2)—
 - (i) in sub-paragraph (b), after “companies,” omit “and”,
 - (ii) after sub-paragraph (c) insert—
 - “, and
 - (d) whether the application relates to group relief, group relief for carried-forward losses, or both.”, and
 - (b) in paragraph (4)—
 - (i) in sub-paragraph (a), at the beginning insert “in the case of applications concerning group relief,”, and
 - (ii) after sub-paragraph (a), insert—
 - “(aa) in the case of applications concerning group relief for carried-forward losses, by a specimen copy of the statement referred to in regulation 10(2A) that the authorising company proposes to use for the purpose of making and withdrawing surrenders and claims on behalf of itself and the authorising companies;”.
- 6. In regulation 7 (matters consequential to the making of an application)—**
- (a) in paragraphs (2) and (3), for “the officer” substitute “an officer”, and
 - (b) in paragraph (4)(d)—
 - (i) after “regulation 6(4)(a)” insert “or regulation 6(4)(aa)”, and
 - (ii) after “group relief” insert “or group relief for carried-forward losses (as applicable)”.
- 7. In regulation 9A (group relief claims under the arrangements not accompanied by copy of notice of consent to surrender)—**
- (a) in the heading, for “Group relief claims” substitute “Claims”, and
 - (b) in paragraph (1), after “group relief” insert “or group relief for carried-forward losses”.
- 8. In regulation 10 (group relief claims and surrenders under the arrangements)—**
- (a) in the heading, for “Group relief claims” substitute “Claims”,
 - (b) after paragraph (2) insert—

(a) 2010 c. 4; part 5A was inserted by paragraph 23 of Schedule 4 to the Finance (No. 2) Act 2017 (c. 32).
 (b) 1988 c. 1.
 (c) 2010 c. 4.

“(2A) The authorised company may from time to time furnish an officer of Revenue and Customs on behalf of itself and the authorising companies a statement in writing, in the form provided, or in a form authorised, by the Commissioners for Her Majesty’s Revenue and Customs, containing information necessary for the amendment in accordance with the provisions of Part VIII of Schedule 18 of the company tax returns of itself and the authorising companies for the purpose of making and withdrawing claims and surrenders of group relief for carried-forward losses.”,

- (c) in paragraphs (3) and (4), for “paragraph (2)” substitute “paragraphs (2) or (2A)”,
- (d) in paragraph (4)(a), after “claimed” insert “in the case of claims for group relief for carried-forward losses”,
- (e) after paragraph (4)(a), insert—
 - “(aa) as regards the amount claimed in the case of claims for group relief, the same information as is specified in paragraph 68(1) to (4) of Schedule 18,”,
- (f) in paragraph (4)(b), after “surrendered” insert “in the case of surrenders of group relief”,
- (g) after paragraph (4)(b), insert—
 - “(bb) as regards the amount surrendered in the case of surrenders of group relief for carried-forward losses, the same information as is specified in paragraphs 71(1) and 71(1A) of Schedule 18,”,
- (h) in paragraphs (5) and (6), after “paragraph (2)” insert “or paragraph (2A)”.

9. Throughout the regulations—

- (a) subject to paragraph (b), for “the Board” substitute “Revenue and Customs(a)”, and
- (b) in regulations 5(2)(b), 11(1) and 11(2), and the second reference in regulation 10(2), for “the Board” substitute “the Commissioners for Her Majesty’s Revenue and Customs(b)”.

Andrew Griffiths
David Rutley

8th January 2018

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations amend the Corporation Tax (Simplified Arrangements for Group Relief) Regulations 1999 (S.I. 1999/2975) (“the principal Regulations”). The principal Regulations make provision for simplified arrangements under which corporation tax group relief may be claimed or surrendered by an authorised company acting on behalf of companies in the group. Finance (No. 2) Act 2017 (c. 32) amended the corporation tax group relief provisions to provide for corporation tax group relief in respect of carried-forward losses. The Regulations amend the principal Regulations such that simplified arrangements can be used in respect of corporation tax group relief for carried-forward losses.

Regulation 1 provides for citation and commencement.

Regulation 2 introduces the amendments to the principal Regulations.

Regulation 3 amends the introductory provisions and confirms that simplified arrangements entered into after these Regulations come into force can only be used for claims and surrenders of group relief for carried-forward losses for accounting periods beginning on or after 1st April 2017.

(a) The functions of officers of the Inland Revenue in S.I. 1999/2975 were transferred to officers of Revenue and Customs by sections 7(2) and 7(3) of the Commissioners for Revenue and Customs Act 2005 (c. 11).

(b) The functions of the Commissioners of Inland Revenue in S.I. 1999/2975 were transferred to the Commissioners for Her Majesty’s Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11).

Regulations 4 amends the interpretative provisions, inserting a new definition of group relief for carried-forward losses and updating references to reflect the Corporation Tax Act 2010 coming into force.

Regulations 5 and 6 make amendments to the application process. Regulation 5 provides that the application to use simplified arrangements must specify whether it covers group relief, group relief for carried-forward losses or both and provides for a different form of specimen statement to be provided if the application encompasses group relief for carried-forward losses. Regulation 6 then makes minor amendments to reflect the fact that different statements will be provided for group relief and group relief for carried-forward losses.

Regulation 7 extends regulation 9A of the principal Regulations to ensure its provisions apply equally in respect of group relief for carried-forward losses.

Regulation 8 introduces new regulation 10(2A) which permits a company to submit a statement containing information necessary for the amendment of its tax returns, and the tax returns of the authorising companies, for the purposes of group relief for carried-forward losses. The other amendments specify the information to be contained in such statements and the consequences of failing to include such information or making an incorrect claim.

Regulation 9 updates references to the Commissioners and officers of the Inland Revenue to reflect the Commissioners for Revenue and Customs Act 2005 coming into force.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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