



# British Steel Act 1988

## 1988 CHAPTER 35

### *Supplementary provisions*

#### **11 Corporation tax.**

- (1) Subject to subsection (2), the successor company shall be treated for all purposes of corporation tax as if it were the same person as the Corporation.
- (2) The successor company shall not by virtue of subsection (1) be regarded as a body falling within section [F<sup>1</sup>170(12) of the M<sup>1</sup>Taxation of Chargeable Gains Act 1992] (bodies established for carrying on industries or undertakings under national ownership or control).
- (3) Section 400(1) of the M<sup>2</sup>Income and Corporation Taxes Act 1988 (write-off of government investment : restriction of tax losses) shall not have effect in relation to any reduction in the Corporation's public dividend capital under section 2(1) above or its extinguishment by virtue of section 2(3) above; but instead the Secretary of State may, with the consent of the Treasury, direct that such amount as is specified in the direction shall be set off against the successor company's tax losses as at the end of the accounting period ending last before the date of the direction.
- (4) No direction shall be given by the Secretary of State under subsection (3) above at a time when the successor company has ceased to be wholly owned by the Crown.
- (5) For the purposes of subsection (3) above the successor company's tax losses as at the end of the accounting period there mentioned are those referred to in paragraphs (a) to (e) of subsection (2) of the said section 400; and subsections (3) to (5) of that section shall have effect in relation to any set-off under subsection (3) above as if—
  - (a) any reference to subsection (1) of that section were a reference to subsection (3) above; and
  - (b) the reference in subsection (4) of that section to the write-off date were a reference to the date of the direction under subsection (3) above.
- (6) Subsection (6) of the said section 400 shall apply in relation to any such reduction or extinguishment of the Corporation's public dividend capital as is mentioned in

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*Changes to legislation: There are currently no known outstanding effects for the British Steel Act 1988, Section 11. (See end of Document for details)*

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subsection (3) above as if the reference to the body in question were a reference to the Corporation.

[<sup>F2</sup>(7) For the purposes of Part VI of the <sup>M3</sup>Income and Corporation Taxes Act 1988 (company distributions) and [<sup>F3</sup> Part 5 of the Corporation Tax Act 2009 ] (loan relationships), any debentures issued in pursuance of section 3 above shall be treated as having been issued for new consideration equal to the principal sum payable under the debenture.]

(8) The vesting in the successor company by virtue of section 1 above of liability for a loan made to the Corporation shall not affect any direction given by the Treasury in respect of the loan under section 416 of the <sup>M4</sup>Income and Corporation Taxes Act 1970 (borrowing in foreign currency).

(9) In this section “accounting period” has the same meaning as in the <sup>M5</sup>Income and Corporation Taxes Act 1988.

#### Textual Amendments

- F1** Words in s. 11(2) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 15](#) (with ss. 60, 101(1), 201(3)).
- F2** S. 11(7) substituted (29.4.1996) by [1996 c. 8, s. 104](#), [Sch. 14 para.55](#) (with savings etc. in [Pt. IV Ch. II](#) (ss. 80-105))
- F3** Words in s. 11(7) substituted (1.4.2009) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 329](#) (with [Sch. 2 Pt. 1, 2](#))

#### Marginal Citations

- M1** [1992 c. 12](#)
- M2** [1988 c. 1](#).
- M3** [1988 c. 1](#).
- M4** [1970 c. 10](#).
- M5** [1988 c. 1](#).

**Changes to legislation:**

There are currently no known outstanding effects for the British Steel Act 1988, Section 11.