

## SCHEDULES

### SCHEDULE 4

#### TAXATION PROVISIONS

##### PART I

##### CORPORATION TAX

###### *Losses to be retained by the predecessor*

- 14 (1) Notwithstanding anything in the preceding provisions of this Part of this Schedule or in Schedule 2 or 3 to this Act, the relevant unallowed tax losses of the predecessor—
- (a) shall not be capable, at any time after a relevant transfer comes into force, of being brought into account for any of the purposes of the Corporation Tax Acts in relation to the taxation of the transferee; but
  - (b) shall continue, to the same extent as before, to be treated after any relevant transfer as unallowed tax losses of the predecessor.
- (2) In sub-paragraph (1) above “relevant unallowed tax losses” means—
- (a) if the accounting period of the predecessor ends immediately before the coming into force of the relevant transfer, the unallowed tax losses of the predecessor as at the end of that period; and
  - (b) in any other case, any losses, expenses, charges or amounts which would be unallowed tax losses of the predecessor immediately before the coming into force of the relevant transfer, if an accounting period of the predecessor had ended at that time.
- (3) In this paragraph “unallowed tax losses” means any losses, expenses, charges or amounts which are tax losses within the meaning of section 400(2)(a), (b), (d) or (e) of the 1988 Act.