
Status: Point in time view as at 22/04/2003. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 15. (See end of Document for details)

SCHEDULES

SCHEDULE 13

TAX RELIEF FOR EXPENDITURE ON VACCINE RESEARCH ETC

PART 2

MANNER OF GIVING EFFECT TO RELIEF: SMALL AND MEDIUM-SIZED COMPANIES

Alternative treatment of pre-trading expenditure: deemed trading loss

- 15 (1) Where a company—
- (a) is entitled to relief under this Schedule for an accounting period in respect of any qualifying expenditure, and
 - (b) is not carrying on a trade in that period,
- it may elect to be treated as if it had incurred a trading loss in that accounting period.
- (2) The amount of the trading loss is—
- (a) 50% of so much of the qualifying expenditure as is expenditure in respect of which the company is also entitled to relief under Schedule 20 to the Finance Act 2000, and
 - (b) 150% of so much of the qualifying expenditure as is not expenditure in respect of which the company is also entitled to relief under that Schedule.
- (3) Section 401 of the Taxes Act 1988 (relief for pre-trading expenditure) does not apply to qualifying expenditure in respect of which an election is made under this paragraph.
- (4) An election under this paragraph must—
- (a) specify the accounting period in respect of which it is made, and
 - (b) be made by notice in writing to the Inland Revenue given not later than two years after the end of the accounting period to which the election relates.
- (5) Where a company is treated under this paragraph as incurring a trading loss in an accounting period, the trading loss may not be set off against profits of a preceding accounting period under section 393A(1)(b) of the Taxes Act 1988 unless the company is entitled to tax relief under this paragraph for that earlier period.
- (6) Where a company is treated under this paragraph as incurring a trading loss in an accounting period and the company begins, in that accounting period or a later accounting period, to carry on a trade derived from the research and development in relation to which the tax relief in question was obtained under this paragraph, then—
- (a) subject to paragraph 19 (restriction on losses carried forward), and
 - (b) to the extent that—
 - (i) the company has not obtained relief in respect of the trading loss under any other provision, and

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(ii) the loss has not been surrendered under section 403(1) of the Taxes Act 1988 (surrender of relief to group or consortium members), the loss shall be treated as if it were a loss of that trade brought forward under section 393 of that Act (relief of trading losses against future trading profits).

Commencement Information

- II** Sch. 13 has effect in relation to expenditure incurred on or after 22.4.2003 by The Finance Act 2002, Schedule 13 (Appointed Day) Order 2003 ([S.I. 2003/1472](#)), art. 2 (with para. 28(1))

Status:

Point in time view as at 22/04/2003. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2002, Paragraph 15.