



Corporation Tax Act 2009

2009 CHAPTER 4

PART 5 U.K.

LOAN RELATIONSHIPS

CHAPTER 10 U.K.

INSURANCE COMPANIES

Treatment of deficit on basic life assurance and general annuity business

390 Meaning of “available profits” U.K.

- (1) For the purposes of section 389 the available profits of the company for an accounting period are its BLAGAB non-trading loan relationships profits for the period (see subsection (4)), less the unused part of the relevant deductions for the period (see subsection (5)).
- (2) If an accounting period ending within the permitted period begins before it, only a part of the amount which would otherwise be the available profit for that accounting period is available profit.
- (3) That part is so much as is proportionate to the part of the accounting period in the permitted period.
- (4) References in this section to a company's BLAGAB non-trading loan relationships profits for an accounting period are references to the amount (if any) [^{F1}of the BLAGAB credits in respect of the company's loan relationships that count as income for the purposes of the I - E rules for that period (as determined by section 88(3) and (4) of FA 2012)].
- (5) The unused part of the relevant deductions for an accounting period is found as follows.

Changes to legislation: Corporation Tax Act 2009, Section 390 is up to date with all changes known to be in force on or before 02 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Step 1

Add together—

- (a) [^{F2}the amount for the purposes of section 73 of FA 2012 of the adjusted BLAGAB management expenses of the company for the period], and
- (b) so much of the sum of the deductions made in the case of the company in respect of [^{F3}qualifying charitable donations] for that period as is [^{F4}referable to BLAGAB].

Step 2

Add together—

- [^{F5}(a) so much of the amount for the purposes of section 73 of FA 2012 of the adjusted BLAGAB management expenses of the company for the period as, on the assumption that the company had no BLAGAB non-trading loan relationships profits for the period, could be subtracted at step 6 under that section without producing a negative amount, and]
- (b) the total amounts [^{F6}referable to BLAGAB] which could be applied for the period in making deductions in respect of [^{F7}qualifying charitable donations] if those profits were disregarded.

Step 3

Subtract the amount found at Step 2 from the amount found at Step 1.

The result is the unused part of the relevant deductions for the accounting period.

[^{F8}(6) In the case of any claim under section 389, references in subsection (5) to the amount for the purposes of section 73 of FA 2012 of the adjusted BLAGAB management expenses of the company for the period are references to that amount as determined on the assumptions in subsections (7) and (8).]

- (7) The first assumption is that no account is taken of—
 - (a) that claim, or
 - (b) any other claim under section 389 relating to a deficit for an accounting period after the deficit period.
- (8) The second assumption is that all such adjustments are made as are required as a result of any sum having been carried back under the Corporation Tax Acts to the accounting period mentioned in subsection (5), otherwise than as a result of—
 - (a) the claim mentioned in subsection (6), or
 - (b) any such other claim as is mentioned in subsection (7)(b).

Textual Amendments

- F1** Words in s. 390(4) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 154\(2\)](#)
- F2** Words in s. 390(5) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 154\(3\)\(a\)](#)
- F3** Words in s. 390(5) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 612\(2\)](#) (with Sch. 2)
- F4** Words in s. 390(5) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 154\(3\)\(b\)](#)
- F5** Words in s. 390(5) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 154\(3\)\(c\)](#)
- F6** Words in s. 390(5) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 154\(3\)\(d\)](#)
- F7** Words in s. 390(5) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 612\(3\)](#) (with Sch. 2)

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F8 S. 390(6) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 154\(4\)](#)

Modifications etc. (not altering text)

C1 Pt. 5 modified (with effect in accordance with s. 148 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [s. 88\(1\)\(2\)\(7\)](#) (with s. 147, [Sch. 17](#))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)