



Corporation Tax Act 2010

2010 CHAPTER 4

PART 5

GROUP RELIEF

CHAPTER 4

CLAIMS FOR GROUP RELIEF

Modifications etc. (not altering text)

- C1** Pt. 5 modified by 2009 c. 4, s. 1218ZDB(2) (as inserted (for specified purposes and with effect in accordance with Sch. 6 paras. 20, 21(1)(a) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 6 para. 1](#) (with [Sch. 6 para. 21\(3\)](#)))
- C2** Pt. 5 applied (with modifications) (24.2.2022) by [Finance Act 2022 \(c. 3\)](#), [Sch. 2 para. 47\(4\)](#)
- C3** Pt. 5 excluded (14.7.2022) by [Energy \(Oil and Gas\) Profits Levy Act 2022 \(c. 40\)](#), [s. 1\(5\)\(e\)](#) (with ss. 15(1), 16(1))

Introduction

129 Overview of Chapter

- (1) This Chapter sets out how a company may claim group relief, how group relief is given and limitations on the amount of group relief to be given on a claim.
- (2) [^{F1}Sections 130 to [^{F2}134]] deal with claims in relation to surrenderable amounts under Chapter 2.

^{F3}(3)

- (4) Section 137 deals with how group relief is given.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (5) Sections 138 to 142 set out a limitation on the amount of group relief to be given on any claim.
- (6) Sections 143 to 149 set out limitations on the amount of group relief to be given on claims based on consortium condition 1, consortium condition 2 or consortium condition 3 (see Requirement 3 in section 130).

Textual Amendments

- F1** Words in s. 129(2) substituted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 6 para. 2**
- F2** Word in s. 129(2) substituted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), **s. 35(2)(a)**
- F3** [S. 129\(3\)](#) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of [Finance Act 2022 \(c. 3\)](#), **Sch. 4 para. 1(2)**

Surrenderable amounts under Chapter 2

130 Group relief claims on amounts surrenderable under Chapter 2

- (1) This section applies in relation to the surrendering company's surrenderable amounts for the surrender period under Chapter 2.
- (2) A company (“the claimant company”) may make a claim for group relief for an accounting period (“the claim period”) in relation to those amounts (in whole or in part) if the following requirements are met.

Requirement 1

The surrendering company consents to the claim.

Requirement 2

There is a period (“the overlapping period”) that is common to the claim period and the surrender period.

Requirement 3

At a time during the overlapping period—

- (a) the group condition is met (see section 131),
 - (b) consortium condition 1 is met (see section 132),
 - (c) consortium condition 2 is met (see section [F4section 133(1)[F5, (3) and (4)]], or
 - (d) consortium condition 3 is met (see [F6section 133(2) to [F7(4)]]).
- (3) More than one company may make a claim for group relief in relation to any surrenderable amounts (but the giving of group relief in relation to any claim is subject to the provisions of this Chapter).

Textual Amendments

- F4** Words in s. 130(2)(c) substituted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 6 para. 3(a)**

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- F5** Words in s. 130(2)(c) substituted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), **s. 35(2)(b)(i)**
- F6** Words in s. 130(2)(d) substituted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 6 para. 3(b)**
- F7** Word in s. 130(2)(d) substituted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), **s. 35(2)(b)(ii)**

Modifications etc. (not altering text)

- C4** S. 130(2) applied by 1998 c. 36, Sch. 18 para. 70(1) (as substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 114(2)**)

131 The group condition

- (1) The group condition is met if the surrendering company and the claimant company—
- (a) are members of the same group of companies (see section 152), and
 - (b) are both UK related.
- (2) For the meaning of “UK related” in subsection (1)(b) and in sections 132 and 133, see section 134.

132 Consortium condition 1

- (1) Consortium condition 1 is met if subsection (2) or (3) applies.
- (2) This subsection applies if—
- (a) the surrendering company is a trading company or a holding company,
 - (b) the surrendering company is owned by a consortium,
 - (c) the claimant company is a member of the consortium, and
 - (d) both companies are UK related.
- (3) This subsection applies if—
- (a) the claimant company is a trading company or a holding company,
 - (b) the claimant company is owned by a consortium,
 - (c) the surrendering company is a member of the consortium, and
 - (d) both companies are UK related.
- (4) But consortium condition 1 is not met if a profit on a sale within subsection (5) by the company that is the member of the consortium would be a trading receipt of the member.
- (5) A sale is within this subsection if it is a sale of—
- (a) the share capital the member owns in the company owned by the consortium, or
 - (b) if that company is owned by the consortium as a result of section 153(3) (consortiums involving holding companies), the share capital the member owns in the holding company in question.

133 Consortium conditions 2 and 3

- (1) Consortium condition 2 is met if—
- (a) the surrendering company is a trading company or a holding company,

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (b) the surrendering company is owned by a consortium,
 - (c) the claimant company is not a member of the consortium,
 - (d) the claimant company is a member of the same group of companies as a third company (“the link company”),
 - (e) the link company is a member of the consortium, ^{F8} ... [^{F9}and]
 - [^{F10}(f) the surrendering company and the claimant company are both UK related, ^{F11}...
 - ^{F11}(g)]
- (2) Consortium condition 3 is met if—
- (a) the claimant company is a trading company or a holding company,
 - (b) the claimant company is owned by a consortium,
 - (c) the surrendering company is not a member of the consortium,
 - (d) the surrendering company is a member of the same group of companies as a third company (“the link company”),
 - (e) the link company is a member of the consortium, ^{F12} ... [^{F13}and]
 - [^{F14}(f) the surrendering company and the claimant company are both UK related, ^{F15}...
 - ^{F15}(g)]
- (3) But neither consortium condition 2 nor consortium condition 3 is met if a profit on a sale within subsection (4) by the link company would be a trading receipt of that company.
- (4) A sale is within this subsection if it is a sale of—
- (a) the share capital the link company owns in the company (“the consortium company”) owned by the consortium as mentioned in subsection (1)(b) or (2)(b), or
 - (b) if the consortium company is owned by the consortium as a result of section 153(3) (consortiums involving holding companies), the share capital the link company owns in the holding company in question.

^{F16}(5)

^{F16}(6)

^{F16}(7)

^{F16}(8)

Textual Amendments

- F8** Word in s. 133(1)(e) omitted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 4\(2\)\(a\)](#)
- F9** Word in s. 133(1)(e) inserted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 35\(1\)\(a\)\(i\)](#)
- F10** S. 133(1)(f)(g) substituted for s. 133(1)(f) (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 4\(2\)\(b\)](#)
- F11** S. 133(1)(g) and preceding word omitted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by virtue of [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 35\(1\)\(a\)\(ii\)](#)
- F12** Word in s. 133(2)(e) omitted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 4\(3\)\(a\)](#)
- F13** Word in s. 133(2)(e) inserted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 35\(1\)\(b\)\(i\)](#)

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- F14** S. 133(2)(f)(g) substituted for s. 133(2)(f) (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 4\(3\)\(b\)](#)
- F15** S. 133(2)(g) and preceding word omitted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by virtue of [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 35\(1\)\(b\)\(ii\)](#)
- F16** S. 133(5)-(8) omitted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by virtue of [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [s. 35\(1\)\(c\)](#)

134 Meaning of “UK related” company

For the purposes of sections 131 to 133 a company is UK related if—

- (a) it is a UK resident company, or
- (b) it is a non-UK resident company [^{F17}within the charge to corporation tax].

Textual Amendments

- F17** Words in s. 134(b) substituted (with effect in accordance with s. 24(3) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [s. 24\(1\)](#)

^{F18}134A Companies “established in the EEA”

.....

Textual Amendments

- F18** S. 134A omitted (18.11.2015) (with effect in accordance with s. 35(3) of the amending Act) by virtue of [Finance \(No. 2\) Act 2015 \(c. 33\)](#), s. 35(2)(c)

F19
...

Textual Amendments

- F19** [S. 135 136 and cross-heading](#) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of [Finance Act 2022 \(c. 3\)](#), [Sch. 4 para. 1\(3\)](#)

^{F19}135 Group relief claims on amounts surrenderable under Chapter 3

.....

^{F19}136 The EEA group condition

.....

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

Giving of group relief

137 Deduction from total profits

- (1) If the claimant company makes a claim as mentioned in section 130 ^{F20} ..., the group relief is given by the making of a deduction from the claimant company's total profits of the claim period.
- (2) The amount of the deduction is—
 - (a) an amount equal to the surrendering company's surrenderable amounts for the surrender period, or
 - (b) if the claim is in relation to only part of those amounts, an amount equal to that part.
- (3) Subsection (2) is subject to—
 - (a) subsections (4) to (7),
 - (b) the limitation set out in sections 138 to 142 that applies in relation to all claims for group relief,
 - (c) the limitations set out in sections 143 to 149 that apply in relation to claims based on consortium condition 1, consortium condition 2 or consortium condition 3,
 - (d) Chapter 3 of Part 4 (relief in cases involving trading losses made in limited partnerships or limited liability partnerships), and
 - (e) section 305(1) (group relief in cases involving oil activities etc).
- (4) The deduction is to be made—
 - (a) before deductions for relief within subsection (5), but
 - (b) after all other deductions to be made at Step 2 in section 4(2) (apart from deductions for group relief on other claims).
- (5) The deductions within this subsection are deductions for relief—
 - (a) under section 37 in relation to a loss made in an accounting period after the claim period,
 - (b) under section 260(3) of CAA 2001 in relation to capital allowances for an accounting period after the claim period, ^{F21}...
 - (c) under section 389^{F22}, 459 or 463B^{F23} of CTA 2009 in relation to a deficit for a deficit period after the claim period^{F23}, and
 - ^{F24}(d)]
 - ^{F25}(e) of a type to which section 269ZB(2), 269ZBA(2), 269ZC(2) or 269ZD(2) of Part 7ZA (restrictions on deductions for carried-forward losses and other amounts) could apply.]
- (6) For the purposes of subsection (4)(b) it is to be assumed that the claimant company has claimed all relief available to it for the claim period under section 37 of this Act or section 260(3) of CAA 2001.
- (7) Corporation tax relief is not to be given more than once for the same amount, whether—
 - (a) by giving group relief and by giving some other relief (for any accounting period) to the surrendering company, or
 - (b) by giving group relief more than once.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

Textual Amendments

- F20** Words in s. 137(1) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of [Finance Act 2022 \(c. 3\)](#), [Sch. 4 para. 1\(4\)](#)
- F21** Word in s. 137(5)(b) omitted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by virtue of [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 4 para. 159\(a\)](#)
- F22** Words in s. 137(5)(c) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 4 para. 159\(b\)](#)
- F23** S. 137(5)(d) and word inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 4 para. 159\(c\)](#)
- F24** S. 137(5)(d) omitted (with effect in accordance with Sch. 8 para. 17 of the amending Act) by virtue of [Finance Act 2021 \(c. 26\)](#), [Sch. 8 para. 4\(a\)](#)
- F25** S. 137(5)(e) inserted (with effect in accordance with Sch. 8 para. 17 of the amending Act) by [Finance Act 2021 \(c. 26\)](#), [Sch. 8 para. 4\(b\)](#)

Modifications etc. (not altering text)

- C5** S. 137(7) applied by 2012 c. 14, ss. 124A(6), 124B(7), 124C(7) (as inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 4 para. 26](#))

General limitation on amount of group relief to be given

138 Limitation on amount of group relief applying to all claims

The amount of group relief to be given on a claim (“the current claim”) is limited to—

- (a) the unused part of the surrenderable amounts (see section 139), or
- (b) if less, the unrelieved part of the claimant company's available total profits of the claim period (see section 140).

Modifications etc. (not altering text)

- C6** [Ss. 138-142](#) applied (1.4.2022 in relation to accounting periods beginning on or after that date) by [Finance Act 2022 \(c. 3\)](#), s. 51(1), [Sch. 7 para. 10\(1\)](#)
- C7** [Ss. 138-142](#) applied (with modifications) (14.7.2022) by [Energy \(Oil and Gas\) Profits Levy Act 2022 \(c. 40\)](#), [Sch. 1 para. 11](#) (with ss. 15(1), 16(1), 17)

139 Unused part of the surrenderable amounts

- (1) The unused part of the surrenderable amounts is the amount equal to—
 - (a) the surrenderable amount for the overlapping period (see subsection (2)), less
 - (b) the amount of prior surrenders for that period (see subsections (3) to (5)).
- (2) To determine the surrenderable amount for the overlapping period—
 - (a) take the proportion of the surrender period included in the overlapping period, and
 - (b) apply that proportion to the surrenderable amounts for the surrender period.

The surrenderable amount for the overlapping period is the amount given as a result of paragraph (b).
- (3) To determine the amount of prior surrenders for the overlapping period—

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

(a) identify any prior claims for the purposes of this section (see subsection (4)), and

(b) take the steps set out in subsection (5) in relation to each such claim.

The amount of prior surrenders for the overlapping period is the total of the previously used amounts given at Step 3 in subsection (5) for all the prior claims.

(4) A claim is a prior claim for the purposes of this section if—

- (a) it is a claim by any company for group relief in respect of the whole or a part of the amounts that, in relation to the current claim, are the surrendering company's surrenderable amounts for the surrender period,
- (b) it is made before the current claim, and
- (c) it has not been withdrawn.

(5) These are the steps referred to in subsection (3)(b) to be taken in relation to each prior claim.

Step 1

Identify the overlapping period for the prior claim.

Step 2

Identify any period that is common to the overlapping period for the current claim and the overlapping period for the prior claim. If there is a common period, go to Step 3. If there is no common period, there is no previously used amount in relation to the prior claim (and ignore Step 3).

Step 3

Determine the previously used amount of group relief in relation to the prior claim (see subsection (6)).

(6) To determine the previously used amount of group relief in relation to a prior claim—

- (a) take the proportion of the overlapping period for the prior claim that is included in the common period identified at Step 2 in relation to that claim, and
- (b) apply that proportion to the amount of group relief given on the prior claim.

The previously used amount of group relief in relation to the prior claim is the amount given as a result of paragraph (b).

(7) For the meaning of “the overlapping period” see section 142.

Modifications etc. (not altering text)

C6 Ss. 138-142 applied (1.4.2022 in relation to accounting periods beginning on or after that date) by Finance Act 2022 (c. 3), s. 51(1), **Sch. 7 para. 10(1)**

C7 Ss. 138-142 applied (with modifications) (14.7.2022) by Energy (Oil and Gas) Profits Levy Act 2022 (c. 40), **Sch. 1 para. 11** (with ss. 15(1), 16(1), 17)

140 Unrelieved part of claimant company's available total profits

(1) The unrelieved part of the claimant company's available total profits of the claim period is the amount equal to—

- (a) the company's available total profits for the overlapping period (see subsection (2)), less

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (b) the amount of previously claimed group relief for that period (see subsection (3)).

(2) To determine the available total profits for the overlapping period—

- (a) take the proportion of the claim period included in the overlapping period, and
- (b) apply that proportion to the available total profits of the claim period.

The available total profits for the overlapping period is the amount given as a result of paragraph (b).

(3) To determine the amount of previously claimed group relief for the overlapping period—

- (a) identify any prior claims for the purposes of this section (see subsection (4)), and
- (b) take the steps set out in subsection (5) in relation to each such claim.

The amount of previously claimed group relief for the overlapping period is the total of the previously claimed amounts given at Step 3 in subsection (5) for all the prior claims.

(4) A claim is a prior claim for the purposes of this section if—

- (a) it is a claim by the claimant company for group relief which would be given by way of a deduction from the company's total profits of the claim period,
- (b) it is made before the current claim, and
- (c) it has not been withdrawn.

(5) These are the steps referred to in subsection (3)(b) to be taken in relation to each prior claim.

Step 1

Identify the overlapping period for the prior claim.

Step 2

Identify any period that is common to the overlapping period for the current claim and the overlapping period for the prior claim. If there is a common period, go to Step 3. If there is no common period, there is no previously claimed amount in relation to the prior claim (and ignore Step 3).

Step 3

Determine the previously claimed amount of group relief in relation to the prior claim (see subsection (6)).

(6) To determine the previously claimed amount of group relief in relation to a prior claim—

- (a) take the proportion of the overlapping period for the prior claim that is included in the common period identified at Step 2 in relation to that claim, and
- (b) apply that proportion to the amount of group relief given on the prior claim.

The previously claimed amount of group relief in relation to the prior claim is the amount given as a result of paragraph (b).

(7) In this section references to the claimant company's "available total profits" are references to its total profits after the deductions mentioned in section 137(4)(b).

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (8) Further, if the claimant company is non-UK resident its available total profits do not include any part of its total profits that arise from activities that are double taxation exempt for the claim period (see section 186) (so far as those profits are not covered by the deductions mentioned in section 137(4)(b)).
- (9) For the meaning of “the overlapping period” see section 142.

Modifications etc. (not altering text)

- C6** Ss. 138-142 applied (1.4.2022 in relation to accounting periods beginning on or after that date) by Finance Act 2022 (c. 3), s. 51(1), **Sch. 7 para. 10(1)**
- C7** Ss. 138-142 applied (with modifications) (14.7.2022) by Energy (Oil and Gas) Profits Levy Act 2022 (c. 40), **Sch. 1 para. 11** (with ss. 15(1), 16(1), 17)
- C8** S. 140 modified (1.4.2022 in relation to accounting periods beginning on or after that date) by Finance Act 2022 (c. 3), s. 51(1), **Sch. 7 para. 10(2)(a)**

141 Sections 139 and 140: supplementary

- (1) If two or more claims for group relief are made at the same time, for the purposes of sections 139 and 140 treat the claims as made—
- in such order as the company making them may elect or the companies making them may jointly elect, or
 - if no such election is made, in such order as an officer of Revenue and Customs may direct.
- (2) For the purposes of Step 3 in subsection (5) of each of sections 139 and 140 the amount of group relief given on a prior claim is determined on the basis that relief is given on the claim before it is given on any later claim.
- (3) If the use of the proportion mentioned in section 139(2) or (6), or in section 140(2) or (6), would, in the circumstances of a particular case, produce a result that is unjust or unreasonable, the proportion is to be modified so far as necessary to produce a result that is just and reasonable.

Modifications etc. (not altering text)

- C6** Ss. 138-142 applied (1.4.2022 in relation to accounting periods beginning on or after that date) by Finance Act 2022 (c. 3), s. 51(1), **Sch. 7 para. 10(1)**
- C7** Ss. 138-142 applied (with modifications) (14.7.2022) by Energy (Oil and Gas) Profits Levy Act 2022 (c. 40), **Sch. 1 para. 11** (with ss. 15(1), 16(1), 17)

142 Meaning of “the overlapping period”

- (1) In sections 139 and 140 “the overlapping period”, in relation to a claim for group relief, means the period that is common to the claim period and the surrender period (see Requirement 2 in section 130(2) ^{F26}...).
- (2) But if during any part of the overlapping period the group relief condition is not met, that part is treated as not forming part of the overlapping period but instead as forming—
- a part of the surrender period that is not included in the overlapping period, and

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (b) a part of the claim period that is not included in the overlapping period.
- (3) The group relief condition is the condition on which the claim for group relief is based, that is—
 - the group condition,
 - consortium condition 1,
 - consortium condition 2,
 - [^{F27}or, consortium condition 3.]

Textual Amendments

- F26** Words in s. 142(1) omitted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by virtue of Finance Act 2022 (c. 3), Sch. 4 para. 1(5)(a)
- F27** Words in s. 142(3) substituted (with effect in accordance with Sch. 4 para. 4(1) of the amending Act) by Finance Act 2022 (c. 3), Sch. 4 para. 1(5)(b)

Modifications etc. (not altering text)

- C6** Ss. 138-142 applied (1.4.2022 in relation to accounting periods beginning on or after that date) by Finance Act 2022 (c. 3), s. 51(1), Sch. 7 para. 10(1)
- C7** Ss. 138-142 applied (with modifications) (14.7.2022) by Energy (Oil and Gas) Profits Levy Act 2022 (c. 40), Sch. 1 para. 11 (with ss. 15(1), 16(1), 17)
- C9** S. 142 modified (1.4.2022 in relation to accounting periods beginning on or after that date) by Finance Act 2022 (c. 3), s. 51(1), Sch. 7 para. 10(2)(b)

Limitations on group relief if claim based on consortium condition 1, 2 or 3

143 Condition 1: surrendering company owned by consortium

- (1) This section applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 1, and
 - (b) it is the surrendering company that is owned by the consortium.
- (2) The group relief to be given on the claim is limited to the ownership proportion of the surrenderable amount for the overlapping period (see section 139(2) to determine the surrenderable amount for the overlapping period).
- (3) The ownership proportion is the same as the lowest of the following proportions—
 - (a) the proportion of the ordinary share capital of the surrendering company that is beneficially owned by the claimant company,
 - (b) the proportion of any profits available for distribution to equity holders of the surrendering company to which the claimant company is beneficially entitled (see Chapter 6), ^{F28}...
 - (c) the proportion of any assets of the surrendering company available for distribution to such equity holders on a winding up to which the claimant company would be beneficially entitled (see Chapter 6) [^{F29}, and
 - (d) the proportion of the voting power in the surrendering company that is directly possessed by the claimant company.]
- (4) For the purposes of subsection (3)—

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (a) the proportions mentioned in [F30 paragraphs (a) to (d)] of that subsection are those prevailing during the overlapping period, and
 - (b) if any of those proportions changes during that period, use the average of that proportion during that period.
- (5) If the surrendering company is owned by the consortium as a result of section 153(3) (consortiums involving holding companies), references in subsection (3) to the surrendering company are to be read as references to the holding company in question.
- (6) In this section “the overlapping period” is to be read in accordance with section 142.

Textual Amendments

- F28** Word in s. 143(3)(b) omitted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 7\(2\)\(a\)](#)
- F29** S. 143(3)(d) and word inserted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 7\(2\)\(b\)](#)
- F30** Words in s. 143(4)(a) substituted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 7\(3\)](#)

144 Condition 1: claimant company owned by consortium

- (1) This section applies if—
- (a) the claimant company makes a claim for group relief based on consortium condition 1, and
 - (b) it is the claimant company that is owned by the consortium.
- (2) The group relief to be given on the claim is limited to the ownership proportion of the claimant company's [F31 available total profits] of the overlapping period (see section 140(2) to determine the [F31 available total profits] of the overlapping period).
- (3) The ownership proportion is the same as the lowest of the following proportions—
- (a) the proportion of the ordinary share capital of the claimant company that is beneficially owned by the surrendering company,
 - (b) the proportion of any profits available for distribution to equity holders of the claimant company to which the surrendering company is beneficially entitled (see Chapter 6), ^{F32}...
 - (c) the proportion of any assets of the claimant company available for distribution to such equity holders on a winding up to which the surrendering company would be beneficially entitled (see Chapter 6) [F33], and
 - (d) the proportion of the voting power in the claimant company that is directly possessed by the surrendering company.]
- (4) For the purposes of subsection (3)—
- (a) the proportions mentioned in [F34 paragraphs (a) to (d)] of that subsection are those prevailing during the overlapping period, and
 - (b) if any of those proportions changes during that period, use the average of that proportion during that period.
- (5) If the claimant company is owned by the consortium as a result of section 153(3) (consortiums involving holding companies), references in subsection (3) to the claimant company are to be read as references to the holding company in question.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

(6) In this section “the overlapping period” is to be read in accordance with section 142.

Textual Amendments

- F31** Words in s. 144(2) substituted (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\)](#), arts. 1(2), **10**
- F32** Word in s. 144(3)(b) omitted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 6 para. 8(2)(a)**
- F33** S. 144(3)(d) and word inserted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 6 para. 8(2)(b)**
- F34** Words in s. 144(4)(a) substituted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 6 para. 8(3)**

145 Conditions 2 and 3: limitations in sections 143 and 144

- (1) This section applies if the claimant company makes a claim for group relief based on consortium condition 2 or consortium condition 3.
- (2) If the claim is based on consortium condition 2, the limitation on group relief in section 143(2) applies in relation to the claim, but for this purpose references in section 143(3) to the claimant company are to be read as references to the link company.
- (3) If the claim is based on consortium condition 3, the limitation on group relief in section 144(2) applies in relation to the claim, but for this purpose references in section 144(3) to the surrendering company are to be read as references to the link company.

146 Conditions 2 and 3: companies in link company's group

- (1) If the claimant company makes a claim for group relief based on consortium condition 2, the amount of group relief to be given on the claim is limited by subsections (2) and (3).
- (2) There is a limit on the amount of group relief that can be given, in total, on consortium claims made by the link company and group companies in relation to the surrendering company's surrenderable amounts for the surrender period.
- (3) That limit is the maximum amount of group relief that could be given to the link company in relation to those amounts on consortium claims—
 - (a) assuming that no consortium claims in relation to those amounts were made by group companies based on consortium condition 2, ^{F35}...
 - ^{F36}(aa) assuming that the link company was UK related, and]
 - (b) ignoring any lack of profits of the link company from which deductions could be made as mentioned in section 137(1).
- (4) If the claimant company makes a claim for group relief based on consortium condition 3, the amount of group relief to be given on the claim is limited by subsections (5) to (7).

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (5) There is a limit on the amount of group relief that can be given, in total, to the claimant company for the claim period on consortium claims made in relation to losses and other amounts surrendered by the link company and group companies.
- (6) That limit is the same as the limit that, as a result of section 144(2), would apply for the purposes of a consortium claim made by the claimant company for the claim period in relation to losses or other amounts surrendered by the link company^{F37}, assuming that the link company was UK related].
- (7) In determining the limit that would apply as a result of section 144(2) it is to be assumed that the accounting period of the link company is the same as the accounting period of the claimant company.
- (8) In this section—
 - “consortium claim” means a claim for group relief based on consortium condition 1, consortium condition 2 or consortium condition 3,^{F38}...
 - “group company”, for the purpose of determining in accordance with this section a limitation on the amount of group relief to be given on a claim based on consortium condition 2 or consortium condition 3, means a company that is a member of the same group of companies as the link company (other than the link company itself)^{F39}, and
 - “UK related”, in relation to a company, has the meaning given by section 134.]

Textual Amendments

- F35** Word in s. 146(3)(a) omitted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 6\(2\)\(a\)](#)
- F36** S. 146(3)(aa) inserted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 6\(2\)\(b\)](#)
- F37** Words in s. 146(6) inserted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 6\(3\)](#)
- F38** Word in s. 146(8) omitted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 6\(4\)\(a\)](#)
- F39** Words in s. 146(8) inserted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 6\(4\)\(b\)](#)

^{F40}**146A Conditions 1 and 2: surrendering company not controlled by claimant company etc**

- (1) This section applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 1,
 - (b) it is the surrendering company that is owned by the consortium, and
 - (c) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the claimant company, either alone or together with one or more other companies that are members of the consortium, from controlling the surrendering company.
- (2) This section also applies if—

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (a) the claimant company makes a claim for group relief based on consortium condition 2, and
 - (b) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the link company, either alone or together with one or more other companies that are members of the consortium, from controlling the surrendering company.
- (3) Arrangements are within this subsection if—
 - (a) the company, either alone or together with one or more other companies that are members of the consortium, would control the surrendering company, but for the existence of the arrangements, and
 - (b) the arrangements form part of a scheme the main purpose, or one of the main purposes, of which is to enable the claimant company to obtain a tax advantage under this Chapter.
- (4) The group relief to be given on the claim is to be determined as if the surrenderable amount for the overlapping period were 50% of what it would be but for this section (see section 139(2) to determine the surrenderable amount for the overlapping period).
- (5) In this section “the overlapping period” is to be read in accordance with section 142.
- (6) Section 1139 (“tax advantage”) applies for the purposes of this section.

Textual Amendments

F40 Ss. 146A, 146B inserted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 9](#)

146B Conditions 1 and 3: claimant company not controlled by surrendering company etc

- (1) This section applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 1,
 - (b) it is the claimant company that is owned by the consortium, and
 - (c) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the surrendering company, either alone or together with one or more other companies that are members of the consortium, from controlling the claimant company.
- (2) This section also applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 3, and
 - (b) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the link company, either alone or together with one or more other companies that are members of the consortium, from controlling the claimant company.
- (3) Arrangements are within this subsection if—
 - (a) the company, either alone or together with one or more other companies that are members of the consortium, would control the claimant company, but for the existence of the arrangements, and

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (b) the arrangements form part of a scheme the main purpose, or one of the main purposes, of which is to enable the claimant company to obtain a tax advantage under this Chapter.
- (4) The group relief to be given on the claim is to be determined as if the claimant company's total profits for the overlapping period were 50% of what they would be but for this section (see section 140(2) to determine the total profits for the overlapping period).
- (5) In this section “ the overlapping period ” is to be read in accordance with section 142.
- (6) Section 1139 (“tax advantage”) applies for the purposes of this section.]

Textual Amendments

F40 Ss. 146A, 146B inserted (with effect in accordance with Sch. 6 para. 10 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 6 para. 9](#)

147 Conditions 1 and 2: surrenderable amounts including trading loss

- (1) This section applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 1,
 - (b) it is the surrendering company that is owned by the consortium,
 - (c) the surrendering company's surrenderable amounts for the surrender period include a loss within section 99(1)(a), and
 - (d) the surrendering company has profits (of any description) of that period from which the loss could be deducted under section 37.
- (2) This section also applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 2,
 - (b) the surrendering company's surrenderable amounts for the surrender period include a loss within section 99(1)(a), and
 - (c) the surrendering company has profits (of any description) of that period from which the loss could be deducted under section 37.
- (3) The amount of group relief to be given on the claim is to be determined on the assumption that—
 - (a) the surrendering company makes a claim under section 37 in relation to the loss mentioned in subsection (1)(c) or (2)(b), and
 - (b) relief under that section is to be given in relation to the loss before the group relief is given.
- (4) If section 148 also applies in relation to the claim for group relief, in giving effect to subsection (3) of this section the surrenderable amounts for the purposes of subsections (3) and (4) of that section are to be reduced by the amount of relief to be given on the surrendering company's claim as mentioned in subsection (3)(b) of this section.

148 Conditions 1 and 2: surrendering company in group of companies

- (1) This section applies if—

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (a) the claimant company makes a claim for group relief based on consortium condition 1,
 - (b) it is the surrendering company that is owned by the consortium, and
 - (c) the surrendering company is also a member of a group of companies.
- (2) This section also applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 2, and
 - (b) the surrendering company is a member of a group of companies.
- [^{F41}(3) In the case of the claim (“the current claim”) the surrendering company’s surrenderable amounts for the surrender period are to be treated as reduced (but not below nil) by the group’s potential relief.]
- (5) The group's potential relief is the maximum amount of group relief that could be given if every claim that could be made based on the group condition in respect of the surrenderable amounts was in fact made (and for this purpose it is to be assumed that the maximum possible claim is made in each case).
- (6) Before determining the maximum amount of potential group relief under subsection (5), take account of any claim made before the current claim that—
 - (a) is a claim for group relief based on the group condition, and
 - (b) is in relation to losses or other amounts surrendered by a member of the same group of companies as the surrendering company (other than the surrendering company itself).

Textual Amendments

- F41** S. 148(3) substituted for s. 148(3)(4) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\)](#), arts. 1(2), **11**

149 Conditions 1 and 3: claimant company in group of companies

- (1) This section applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 1,
 - (b) it is the claimant company that is owned by the consortium, and
 - (c) the claimant company is also a member of a group of companies.
- (2) This section also applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 3, and
 - (b) the claimant company is a member of a group of companies.
- [^{F42}(3) In the case of the claim (“the current claim”) the claimant company’s available total profits of the claim period are to be treated as reduced (but not below nil) by the group’s potential relief.]
- (5) The group's potential relief is the maximum amount of group relief that could be claimed by the claimant company for the claim period on claims based on the group condition.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4. (See end of Document for details)

- (6) Before determining the maximum amount of potential group relief under subsection (5), take account of any claim made before the current claim that—
- (a) is a claim for group relief based on the group condition made by another member of the same group of companies as the claimant company, and
 - (b) is in relation to losses or other amounts surrendered by a company that is also a member of that group.

Textual Amendments

F42 S. 149(3) substituted for s. 149(3)(4) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\)](#), arts. 1(2), **12**

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 4.