



Corporation Tax Act 2010

2010 CHAPTER 4

PART 4

LOSS RELIEF

CHAPTER 2

TRADE LOSSES

[^{F1}Relief in loss-making period and carry back relief]

39 Terminal losses: extension of periods for which relief may be given

- (1) This section applies if—
 - (a) a company ceases to carry on a trade, and
 - (b) the company has made a terminal loss in the trade.
- (2) Sections 37(3)(b) and 38(1) and (3) have effect in relation to the terminal loss as if the references to 12 months were references to 3 years.
- (3) The following are terminal losses made in the trade—
 - (a) the whole of any loss made by the company in the trade in an accounting period that begins during the final 12 months, and
 - (b) the overlapping proportion of any loss made by the company in the trade in an accounting period that ends, but does not begin, during the final 12 months.
- (4) The overlapping proportion is the same as the proportion that the part of the accounting period falling within the final 12 months bears to the whole of the accounting period.
- (5) “The final 12 months” means the period of 12 months ending when the company ceases to carry on the trade.
- (6) This section is subject to section 41.

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 39.