



Corporation Tax Act 2010

2010 CHAPTER 4

PART 14

CHANGE IN COMPANY OWNERSHIP

[^{F1}CHAPTER 2D

ASSET TRANSFERRED WITHIN GROUP: RESTRICTION OF GROUP RELIEF FOR CARRIED-FORWARD LOSSES

[^{F1}676D] Disallowance of group relief for carried-forward losses

- (1) This section has effect for the purposes of restricting relief under Chapter 3 of Part 5A (group relief for carried-forward losses).
- (2) But this section applies only if, in accordance with the relevant provisions and section 702, an amount is included in respect of chargeable gains or, as the case may be, non-trading chargeable realisation gains in the total profits of the accounting period in which the relevant gain accrues or arises.
- (3) In calculating the company's taxable total profits of the accounting period in which the relevant gain accrues or arises, a relevant pre-acquisition loss may not be deducted, as a result of section 188CK (group relief for carried-forward losses: deductions from total profits) from so much of the total profits of the accounting period as represents the relevant gain.
- (4) "Relevant pre-acquisition loss" means—
 - (a) a non-trading deficit from loan relationships for an accounting period beginning before the change in ownership carried forward to the surrender period under section 463G(6) of CTA 2009,
 - (b) a loss on intangible fixed assets so far as it is made up of amounts carried forward to the surrender period under section 753(3) of CTA 2009 from one or more accounting periods beginning before the change in ownership,

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 676DC. (See end of Document for details)

- (c) expenses carried forward to the surrender period under section 1223 of CTA 2009 (carrying forward expenses of management and other amounts) which were first deductible in an accounting period beginning before the change in ownership,
 - (d) a loss made in an accounting period beginning before the change in ownership and carried forward to the surrender period under section 45A(3) (post- 1 April 2017 trade loss);
 - (e) a loss made in an accounting period beginning before the change in ownership and carried forward to the surrender period under section 62(5)(b) or 63(3)(a) (loss made in UK property business),
 - (f) a loss made in an accounting period beginning before the change in ownership and carried forward to the surrender period under section 303B(2) or 303D(3) (post-1 April non-decommissioning losses of ring fence trade),
 - (g) a BLAGAB trade loss made in an accounting period beginning before the change in ownership and carried forward to the surrender period under section 124A(2) or 124C(3) of FA 2012.
- (5) In this section “the surrender period” is to be interpreted in accordance with section 188BB(7).]

Textual Amendments

- F1** Pt. 14 Ch. 2D 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. 78**

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