



# Finance Act 2016

## 2016 CHAPTER 24

### PART 2

#### CORPORATION TAX

##### *Banking companies*

#### **57 Banking companies: restrictions on loss relief etc**

- (1) Chapter 3 of Part 7A of CTA 2010 (restrictions on banking companies obtaining certain deductions) is amended as follows.
- (2) In section 269CA (restriction on deductions for trading losses), in subsection (2), for “50%” substitute “25%”.
- (3) In section 269CB (restriction on deductions for non-trading deficits from loan relationships), in subsection (2), for “50%” substitute “25%”.
- (4) In section 269CC (restriction on deductions for management expenses etc), in step 1 in subsection (7), for “50%” substitute “25%”.
- (5) The amendments made by this section have effect for the purposes of determining the taxable total profits of companies for accounting periods beginning on or after 1 April 2016.
- (6) For the purposes of subsection (5), where a company has an accounting period beginning before 1 April 2016 and ending on or after that date (“the straddling period”)—
  - (a) so much of the straddling period as falls before 1 April 2016, and so much of that period as falls on or after that date, are treated as separate accounting periods, and
  - (b) profits or losses of the company for the straddling period are apportioned to the two separate accounting periods—
    - (i) in accordance with section 1172 of CTA 2010 (time basis), or

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**Changes to legislation:** Finance Act 2016, Section 57 is up to date with all changes known to be in force on or before 11 August 2023. 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](#)

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- (ii) if that method would produce a result that is unjust or unreasonable, on a just and reasonable basis.

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

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

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)