

SCHEDULES

SCHEDULE 4

RELIEF FOR CARRIED-FORWARD LOSSES

PART 10

NORTHERN IRELAND TRADING LOSSES ETC

- 93 Part 8B of CTA 2010 (trading profits taxable at the Northern Ireland rate) is amended as follows.
- 94 In the italic heading before section 357JB for “section 37” substitute “Chapter 2 of Part 4”.
- 95 For sections 357JB to 357JE substitute—

“357JB Availability of relief

- (1) The references in section 37 and sections 45A to 45F (relief for trade losses) to a loss are, where a company carrying on a trade in an accounting period has Northern Ireland losses of the trade or mainstream losses of the trade, references to those Northern Ireland losses or mainstream losses.
- (2) If a company has a Northern Ireland loss and a mainstream loss in the same accounting period, sections 37 and 45A to 45F have effect in relation to each of those losses separately.
- (3) If by reason of this section a company is entitled under section 37(2), 45A(5), 45B(5) or 45F(2) to make a claim in relation to a Northern Ireland loss (or an amount of such a loss) and a claim in relation to a mainstream loss (or an amount of such a loss), the company may make—
 - (a) one of those claims only, or
 - (b) both of those claims in either order.
- (4) Where—
 - (a) relief is given under section 37, 45A, 45B or 45F for a Northern Ireland loss (or an amount of such a loss), and
 - (b) the profits against which the relief is given includes some profits of the trade that are Northern Ireland profits and some that are not,the relief is given first, so far as possible, against the Northern Ireland profits.
- (5) Where—
 - (a) relief is given under section 37, 45, 45A, 45B or 45F for a loss (or an amount of a loss) that is not a Northern Ireland loss, and
 - (b) the profits against which the relief is given include some profits of the trade that are Northern Ireland profits and some that are not,

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the relief is given first, so far as possible, against the profits that are not Northern Ireland profits.

357JC Restriction on deductions

- (1) Subsection (2) applies where—
 - (a) relief is given under section 37 for a Northern Ireland loss (“the loss”),
 - (b) the profits against which the relief is given include profits that are not Northern Ireland profits, and
 - (c) at any time during the accounting period for which the relief is given (“the profit period”) the Northern Ireland rate is lower than the main rate.
- (2) The reference in section 37(4) to “the amount of the loss” is to the restricted deduction for the loss, as determined under section 357JJ (restricted deduction where Northern Ireland rate lower than main rate).
- (3) Subsection (4) applies where—
 - (a) relief is given under section 45A, 45B or 45F for an amount of a Northern Ireland loss (“the loss”),
 - (b) the profits against which the relief is given include profits that are not Northern Ireland profits, and
 - (c) at any time during the accounting period for which the relief is given (“the profit period”), the Northern Ireland rate is lower than the main rate.
- (4) The reference in section 45A(6), 45B(4) or (as the case may be) 45F(5) to “the unrelieved amount” is to so much of that amount as is equal to the restricted deduction for the loss, as determined under section 357JJ.”

96 After section 357JH insert—

“Loss relief in relation to Northern Ireland profits and losses: Part 5A

357JHA Availability of relief

- (1) The reference in section 188BB(1)(a) (group relief for carried-forward losses: surrendering of carried-forward losses and other amounts) to a loss carried forward to an accounting period of a company under section 45A(4) is, where a company has Northern Ireland losses or mainstream losses carried forward to an accounting period under that section, a reference to those Northern Ireland losses or mainstream losses.
- (2) Where—
 - (a) a company makes a claim for group relief for carried-forward losses under Part 5A in relation to a surrenderable amount that is a Northern Ireland loss, and
 - (b) the profits against which the relief is claimed include some profits that are Northern Ireland profits and some that are not,
 the relief in relation to that surrenderable amount is given first, so far as possible, against the Northern Ireland profits.

(3) Where—

- (a) a company makes a claim for group relief for carried-forward losses under Part 5A in relation to a surrenderable amount that is not a Northern Ireland loss, and
 - (b) the profits against which the relief is claimed include some profits that are Northern Ireland profits and some that are not,
- the relief in relation to that surrenderable amount is given first, so far as possible, against the profits that are not Northern Ireland profits.

357JHB Restriction on deductions

(1) Subsection (2) applies where—

- (a) a company makes a claim for group relief for carried-forward losses under Part 5A in relation to a surrenderable amount that is a Northern Ireland loss (“the loss”),
- (b) the profits against which the relief is claimed include profits that are not Northern Ireland profits, and
- (c) at any time during the accounting period for which the relief is claimed (“the profit period”), the Northern Ireland rate is lower than the main rate.

(2) In section 188CK(2) and (4) (amount of deduction)—

- (a) the reference in paragraph (a) to “an amount equal to” the surrendering company’s surrenderable amounts is, so far as those surrenderable amounts comprise the loss, to the restricted deduction for the loss, as determined under section 357JJ (restricted deduction where Northern Ireland rate lower than main rate);
- (b) the reference in paragraph (b) to “an amount equal to” part of the surrendering company’s surrenderable amounts is, so far as that part comprises the loss, to the restricted deduction for the loss, as determined under section 357JJ.

357JHC Modifications of Chapter 4 of Part 5A

(1) Chapter 4 of Part 5A (limitations on group relief for carried-forward losses: claims under section 188CB) has effect, in relation to a claim under section 188CB in relation to surrenderable amounts that include a Northern Ireland loss, subject to the following provisions of this section.

(2) In section 188DB(1) (limitation on amount of group relief for carried-forward losses applying to all claims under section 188CB)—

- (a) paragraphs (a) and (b) are treated as imposing separate limits;
- (b) the limit in paragraph (a) on the amount of group relief for carried-forward losses to be given on a claim under section 188CB has effect as a limit on the amount of losses and other surrenderable amounts in relation to which relief is to be given on the claim;
- (c) the limit in paragraph (b) on the amount of group relief for carried-forward losses to be given on a claim under section 188CB has effect as a limit on the amount of the deduction to be made as a result of the claim.

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- (3) In section 188DC(6)(b) (unused part of the surrenderable amounts), and in section 188DF(2) so far as it applies in relation to section 188DC, references to the amount of group relief for carried-forward losses given on a claim are to the amount of losses and other surrenderable amounts in relation to which relief is given on the claim.
- (4) In section 188DE(4)(b) (previously claimed group relief for carried-forward losses), and in section 188DF(2) so far as it applies in relation to section 188DE, references to the amount of group relief for carried-forward losses given on a claim are to the amount of the deduction made as a result of the claim.
- (5) In section 188DH (limitation on group relief for carried-forward losses where claim under section 188CB is based on consortium condition 1), the limit in subsection (2) on the amount of group relief for carried-forward losses to be given on a claim has effect as a limit on the amount of the deduction to be made as a result of the claim.
- (6) In section 188DL (limitation on group relief for carried-forward losses where claim under section 188CB is made by member of a group of companies)—
 - (a) the reference in subsection (3)(a) to the maximum amount of group relief for carried-forward losses that could be claimed by the claimant company has effect as a reference to the maximum amount of the deduction that could be made as a result of claims by the claimant company, and
 - (b) the reference in subsection (3)(b) to the maximum amount of group relief under Part 5 that could be claimed by the claimant company has effect as a reference to the maximum amount of the deduction that could be made as a result of claims by the claimant company.

357JHD Modifications of Chapter 5 of Part 5A

- (1) Chapter 5 of Part 5A (limitations on group relief for carried-forward losses: claims under section 188CC) has effect, in relation to a claim under section 188CC in relation to surrenderable amounts that include a Northern Ireland loss, subject to the following provisions of this section.
- (2) In section 188EB(1) (limitation on amount of group relief for carried-forward losses applying to all claims under section 188CC)—
 - (a) paragraphs (a), (b) and (c) are treated as imposing separate limits;
 - (b) the limit in paragraph (a) on the amount of group relief for carried-forward losses to be given on a claim under section 188CC has effect as a limit on the amount of losses and other surrenderable amounts in relation to which relief is to be given on the claim;
 - (c) the limits in paragraphs (b) and (c) on the amount of group relief for carried-forward losses to be given on a claim under section 188CC have effect as limits on the amount of the deduction to be made as a result of the claim.
- (3) In section 188EC(6) and (8)(b) (unused part of the surrenderable amounts attributable to the specified-loss making period), and in section 188EG(2) so far as it applies in relation to section 188EC, references to the amount of group relief for carried-forward losses given on a claim are to the amount of

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losses and other surrenderable amounts in relation to which relief is given on the claim.

- (4) In section 188EE(4)(b) (previously claimed group relief for carried-forward losses), and in section 188EG(2) so far as it applies in relation to section 188EE, references to the amount of group relief for carried-forward losses given on a claim are to the amount of the deduction made as a result of the claim.
- (5) In section 188EI (condition 4: companies in link company's group), the limit in subsections (2) and (3) on the amount of group relief for carried-forward losses to be given on a claim has effect as a limit on the amount of the deduction to be made as a result on the claim.
- (6) In section 188EK (condition 3 or 4: surrendering company in group of companies), the reference in subsection (4) to the maximum amount of group relief for carried-forward losses that could be given has effect as a reference to the maximum amount of losses and other surrenderable amounts in relation to which relief could be given."

- 97 In section 357JJ (restricted deduction: Northern Ireland rate lower than main rate)—
- (a) in subsection (1) for “357JC(2), 357JE(2) or 357JG(2)” substitute “357JC(2) or (4), 357JG(2) or 357JHB(2)”, and
 - (b) in subsection (6) for “section 357JC(1), 357JE(1) or 357JG(1)” substitute “357JC(1) or (3), 357JG(1) or 357JHB(1)”.
- 98 In section 357RF (losses of film trade: restriction on use of losses while film is in production) in subsection (2) for “subsection (2)” substitute “subsections (2) and (3)”.
- 99 In section 357RG (losses of film trade: use of losses in later periods) in subsection (3) after “subsections (5)” insert “, (5A)”.
- 100 In section 357SF (losses of television programme trade: restriction on use of losses while programme in production) in subsection (2) for “subsection (2)” substitute “subsections (2) and (3)”.
- 101 In section 357SG (losses of television programme trade: use of losses in later periods) in subsection (3) after “subsections (5)” insert “, (5A)”.
- 102 In section 357TF (losses of video game trade: restriction on use of losses while video game in development) in subsection (2) for “subsection (2)” substitute “subsections (2) and (3)”.
- 103 In section 357TG (losses of video game trade: use of losses in later periods) in subsection (3) after “subsections (5)” insert “, (5A)”.
- 104 In section 357UF (losses of theatrical trade: restriction on use of losses before completion period) in subsection (2) for “subsection (2)” substitute “subsections (2) and (3)”.
- 105 In section 357UO (losses of orchestral trade: restriction on use of losses before completion period) in subsection (2) for “subsection (2)” substitute “subsections (2) and (3)”.