Finance Act 2020

2020 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Miscellaneous measures affecting companies

32 Non-UK resident companies carrying on UK property businesses etc

Schedule 6 makes minor amendments (which arise in consequence of the provision made by Schedule 1 or 5 to FA 2019) in relation to non-UK resident companies that carry on UK property businesses or have other income relating to land in the United Kingdom.

33 Surcharge on banking companies: transferred-in losses

(1) Chapter 4 of Part 7A of CTA 2010 (surcharge on banking companies) is amended as follows.

(2) In section 269D (overview of Chapter), after subsection (4) insert—

"(4A) Section 269DCA defines "non-banking transferred-in loss relief" for the purposes of calculating a company's surcharge profits."

(3) In section 269DA (surcharge on banking companies), in subsection (2) (calculation of "surcharge profits")—

(a) in the formula, after "NBPLR +" insert "NBTILR +";

(b) after the definition of "NBPLR" insert—

""NBTILR" is the amount (if any) of non-banking transferred-in loss relief (see section 269DCA);".

(4) In section 269DC (meaning of "non-banking or pre-2016 loss relief")—

(a) in subsection (13) (meaning of "a non-banking or pre-2016 carried-forward capital loss")—

(i) in paragraph (a), omit "or as a result of a non-banking loss transfer";

(ii) in paragraph (b), for "8(1)(b)" substitute "2A(1)(b)";

(b) omit subsections (14) and (15) (meaning of "non-banking loss transfer" and "non-banking company").

(5) After section 269DC insert—

"**269DCA Meaning of "non-banking transferred-in loss relief"**

(1) In section 269DA(2), "non-banking transferred-in loss relief" means the sum of any amounts that are deducted under section 2A of TCGA 1992 in determining the taxable total profits of the company of the chargeable accounting period in respect of an allowable loss, or any part of an allowable loss, that accrued to the company as a result of a non-banking loss transfer.

(2) A "non-banking loss transfer" is a transfer to the company of the whole or any part of an allowable loss, by an election under section 171A of TCGA 1992 (reallocation within group), from a non-banking company.

(3) In this section "non-banking company" means a company that is not a banking company at the time that the allowable loss, or such part of it as the election transfers, is treated as accruing by virtue of the election (see, in particular, section 171B(3) of TCGA 1992)."

(6) The amendments made by this section have effect in relation to an allowable loss, or any part of an allowable loss, deducted from a chargeable gain accruing on a disposal made on or after 11 March 2020.

34 CT payment plans for tax on certain transactions with EEA residents

Schedule 7 makes provision for the deferral of the payment of corporation tax arising in connection with certain transactions involving companies resident in an EEA state.

35 Changes to accounting standards affecting leases

(1) Schedule 14 to FA 2019 (leases: changes to accounting standards etc) is amended as follows.

(2) In paragraph 13 (cases where asset first recognised for period of account beginning on or after 1 January 2019), for sub-paragraph (1) substitute—

"(1) This paragraph applies if the first period of account for which the right-of-use asset falls (or would fall) to be recognised for accounting purposes in the accounts of the lessee begins on or after 1 January 2019 (referred to in the following provisions of this paragraph as "the first period of account")."

(3) For paragraph 14 (cases where asset first recognised for a period of account beginning before 1 January 2019) substitute—

"14 (1) This paragraph applies if the first period of account for which the right-of-use asset falls (or would fall) to be recognised for accounting purposes in the accounts of the lessee begins before 1 January 2019.

(2) The change of basis provisions and this Part of this Schedule have effect—

(a) as if there were a change of accounting policy with respect of the accounts of the lessee for the first period of account beginning on or after 1 January 2019, and

(b) as if that period of account were the first period of account for which the right-of-use asset falls (or would fall) to be recognised for accounting purposes in the accounts of the lessee."

(4) Schedule 14 to FA 2019 has effect, and is to be deemed always to have had effect, with the amendments made by this section.