
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2020, Paragraph 18. (See end of Document for details)*

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Pre-entry losses

- 18 (1) Schedule 7A to TCGA 1992 (restriction on set-off of pre-entry losses) is amended in accordance with this paragraph.
- (2) In paragraph 6(1)(b), after “from that gain” insert “ (subject to sub-paragraphs (1A) to (1C)) ”.
- (3) In paragraph 6(1)(c), after “section 2A(1)” insert “ (subject to sub-paragraphs (1A) to (1C)) ”.
- (4) After sub-paragraph (1) insert—
- “(1A) Sub-paragraph (1B) applies, in respect of an accounting period, if the amount of chargeable gains accruing to the company in the period exceeds the total of—
- (a) the amount of pre-entry losses accruing to the company in the period that are deductible under sub-paragraph (1)(a), and
 - (b) the amount of allowable losses, other than pre-entry losses, accruing to the company in the period.
- (1B) Where this sub-paragraph applies in respect of an accounting period—
- (a) the sum of any deductions under sub-paragraph (1)(b) may not exceed the total of—
 - (i) the amount of pre-entry losses that, on the assumption in sub-paragraph (1C), would be deductible under sub-paragraph (1)(b), and
 - (ii) the amount of allowable losses (other than pre-entry losses) that, on the assumption in sub-paragraph (1C), would be deductible under section 2A(1), and
 - (b) for the purposes of sub-paragraph (1)(c), the deductions made under section 2A(1) may not exceed the difference between—
 - (i) the total of the amounts mentioned in paragraph (a)(i) and (ii), and
 - (ii) the amount of pre-entry losses deducted under sub-paragraph (1)(b).

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- (1C) The assumption is that deductions under sub-paragraph (1)(b) are treated for the purposes of Part 7ZA of CTA 2010 (restrictions on obtaining certain deductions) as if they were made under section 2A(1)(b) of this Act.”

Changes to legislation:

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