

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Restriction on deduction from chargeable gains: main provisions

- 6 In section 269ZF, in subsection (3), for steps 3 to 5 substitute—
- “Step 3 - trading profits, non-trading income profits and chargeable gains*
Divide the company’s total profits for the accounting period (as modified under step 1(2)) into—
- (a) profits of a trade of the company (the company’s “trading profits”),
 - (b) profits, other than chargeable gains, that are not profits of a trade of the company (the company’s “non-trading income profits”), and
 - (c) chargeable gains included in the total profits (the company’s “chargeable gains”).
- Step 4 - apportionment of the step 2 amount*
- (1) Allocate the whole of the step 2 amount to one of, or between two or all of, the following—
 - (a) the company’s trading profits,
 - (b) the company’s non-trading income profits, and
 - (c) the company’s chargeable gains.
 - (2) Reduce, but not below nil, each of the company’s trading profits, non-trading income profits and chargeable gains by the amount (if any) allocated to it under paragraph (1).
- Step 5 - amount of qualifying trading profits, qualifying non-trading income profits and qualifying chargeable gains*
The amounts resulting from step 3, after any reduction under step 4, are—
- (a) in the case of the amount in step 3(a), the company’s qualifying trading profits,
 - (b) in the case of the amount in step 3(b), the company’s qualifying nontrading income profits, and
 - (c) in the case of the amount in step 3(c), the company’s qualifying chargeable gains.”