
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Clogged losses. (See end of Document for details)

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Clogged losses

17 In section 18 of TCGA 1992 (transactions between connected persons) at the end insert—

“(9) If deductible clogged losses have accrued to a company, the company may make a claim in respect of an accounting period for—

- (a) an amount of the deductible clogged losses to be treated, for the purposes of section 2A(1)(a), as allowable losses accruing in the accounting period, and
- (b) the same amount of allowable losses accruing to the company in the period to be treated, for the purposes of section 2A(1)(b), as allowable losses previously accruing to the company while it was within the charge to corporation tax.

(10) The amount in respect of which the claim is made may not exceed the total amount of any allowable losses accruing to the company in the accounting period for which the claim is made.

(11) In subsection (9), “deductible clogged losses” means losses which would, apart from Part 7ZA of CTA 2010, be deductible under subsection (3) from chargeable gains accruing to the company in an accounting period.

(12) A claim under subsection (9) must be made by being included in the company's tax return for the accounting period for which the claim is made.”

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Clogged losses.