

Status: Point in time view as at 22/07/2020.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Minor and consequential amendments to Part 7ZA of CTA 2010. (See end of Document for details)

SCHEDULES

SCHEDULE 4

CORPORATE CAPITAL LOSSES

PART 1

CORPORATE CAPITAL LOSS RESTRICTION

Minor and consequential amendments to Part 7ZA of CTA 2010

- 24 Part 7ZA of CTA 2010 is amended as follows.
- 25 (1) Section 269ZB (restriction on deductions from trading profits) is amended in accordance with this paragraph.
- (2) In subsection (8), for paragraph (b) substitute—
- “(b) the total of—
- (i) the amount of the company's total non-trading profits deductions allowance for the period (see section 269ZC(3A)), and
- (ii) in the case of an insurance company, any amount specified for the period under section 269ZFC(5)(a) (BLAGAB deductions allowance).”
- (3) Omit subsection (9) (meaning of a company's “deductions allowance”).
- 26 In section 269ZC (restriction on deductions from non-trading profits) omit subsection (7) (meaning of a company's “deductions allowance”).
- 27 In section 269ZD (restriction on deductions from total profits) omit subsection (6) (meaning of a company's “deductions allowance”).
- 28 After section 269ZD insert—

“269ZDA References to a company's “deductions allowance”

- (1) This section applies for the purposes of sections 269ZB to 269ZD and 269ZFC.
- (2) A company's “deductions allowance” for an accounting period is to be determined in accordance with section 269ZR where, at any time in that period—
- (a) the company is a member of a group (see section 269ZZB), and
- (b) one or more other companies within the charge to corporation tax are members of that group.

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- (3) Otherwise, a company's "deductions allowance" for an accounting period is to be determined in accordance with section 269ZW.
- (4) But subsections (2) and (3) are subject to section 269ZYA (deductions allowance for company without a source of chargeable income)."
- 29 (1) Section 269ZF ("relevant trading profits" and "relevant non-trading profits") is amended in accordance with this paragraph.
- (2) In subsection (2)—
- (a) for " "relevant non-trading profits""", in both places it occurs, substitute " "relevant non-trading income profits" ",
- (b) in paragraph (a), for "qualifying non-trading profits" substitute " qualifying non-trading income profits ", and
- (c) in paragraph (b) for "non-trading profits deductions allowance" substitute " non-trading income profits deductions allowance ".
- (3) In subsection (3), in the words before step 1, for "and qualifying non-trading profits" substitute " , qualifying non-trading income profits and qualifying chargeable gains ".
- (4) In subsection (3), in paragraph (3) of step 1—
- (a) for "and relevant non-trading profits" substitute " , qualifying non-trading income profits and qualifying chargeable gains ", and
- (b) for "both" substitute " each ".
- (5) In subsection (3), in paragraph (3) of step 2—
- (a) for "and the qualifying non-trading profits" substitute " , qualifying non-trading income profits and qualifying chargeable gains ", and
- (b) for "both" substitute " each ".
- (6) In the heading, for "and "relevant non-trading profits"" substitute " , "total relevant non-trading profits" etc ".
- 30 (1) Section 269ZFA ("relevant profits") is amended as follows.
- (2) In subsection (1)(b), for "section 269ZD(6)" substitute " section 269ZDA ".
- (3) In subsection (2)—
- (a) in paragraph (a), for "qualifying trading profits and qualifying non-trading profits" substitute " modified total profits ", and
- (b) in paragraph (b), for "in determining" substitute " which could be relieved against ".
- 31 In section 269ZG (general insurance companies: excluded accounting periods), in subsection (1), for "269ZE" substitute " 269ZD ".
- 32 In section 269ZR (deductions allowance for company in a group), at the end insert—
- "(5) See section 269ZYA for further provision about the deductions allowance for a company without a source of chargeable income which is a member of a group."
- 33 In section 269ZW (deductions allowance for company not in a group), at the end insert—

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- “(4) See section 269ZYA for further provision about the deductions allowance for a company without a source of chargeable income.”
- 34 In section 269ZZ (company tax return to specify amount of deductions allowance), in subsection (2)—
- (a) after “section 269ZB(2),” insert “ 269ZBA(2), ”, and
 - (b) for “or 269ZD(2) or section 124D(1) of FA 2012” substitute “ , 269ZD(2) or 269ZFC(2) ”.
- 35 (1) Section 269ZZA(1) (excessive specification of deductions allowance: application of section) is amended in accordance with this paragraph.
- (2) After paragraph (b) insert—
- “(ba) the company's chargeable gains deductions allowance for the period,”.
- (3) In paragraph (c) for “non-trading profits deductions allowance” substitute “ non-trading income profits deductions allowance ”.
- (4) After paragraph (d) insert—
- “(da) the company's BLAGAB deductions allowance for the period.”
- (5) Omit paragraph (e).

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