
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2021, PART 1. (See end of Document for details)*

SCHEDULES

SCHEDULE 8

RELIEF FROM CORPORATION TAX FOR LOSSES AND OTHER AMOUNTS

PART 1

ALLOCATION OF DEDUCTIONS ALLOWANCE OF FORMER GROUPS

- 1 Part 7ZA of CTA 2010 (restrictions on deductions for carried-forward losses and other amounts) is amended as follows.
- 2 After section 269ZS (group deductions allowance and the nominated company) insert—

“269ZSA Group allowance nomination: former groups

- (1) This section applies where—
- (a) a group ceases to be a group for the purposes of this Part (because the companies that were members of the group no longer together meet the condition in section 269ZZB(2)), and
 - (b) immediately before the group ceased to be a group for the purposes of this Part—
 - (i) two or more members of the group were companies within the charge to corporation tax, and
 - (ii) no group allowance nomination under section 269ZS had effect in relation to the group.
- (2) All the companies that were, immediately before the group ceased to be a group for the purposes of this Part, members of the group and within the charge to corporation tax may together nominate (“the group allowance nomination”) one of their number (“the nominated company”) for the purposes of this Part.
- (3) It is irrelevant for the purposes of subsection (2) whether or not the companies (including the nominated company) are within the charge to corporation tax when the nomination is made.
- (4) A group allowance nomination under this section has effect during the period—
- (a) beginning with the date on which it is stated to take effect (see section 269ZS(5), as it has effect by virtue of subsection (5)(a) of this section), and
 - (b) ending immediately before the group ceased to be a group for the purposes of this Part.

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- (5) For the purposes of this Part, treat a group allowance nomination under this section as a group allowance nomination under section 269ZS, but that section is to apply to a group allowance nomination under this section subject to the following modifications—
- (a) section 269ZS(5) has effect as if, for the words in brackets, there were substituted “ (which must be earlier than the date on which the group ceased to be a group for the purposes of this Part) ”;
 - (b) section 269ZS(6) has effect as if, for the words “is, when the nomination is made”, there were substituted “ was, immediately before the group ceased to be a group for the purposes of this Part ”;
 - (c) section 269ZS(7) does not apply (but see subsection (4) of this section);
 - (d) in section 269ZS(8), ignore references to the revocation of a group allowance nomination (however expressed).
- (6) Only one group allowance nomination under this section may be made in respect of a group.”

3 After section 269ZV (group allowance allocation statement: requirements and effects) insert—

“269ZVA Group allowance allocation statement: former groups

- (1) This section applies where—
- (a) a group ceases to be a group for the purposes of this Part (because the companies that were members of the group no longer together meet the condition in section 269ZB(2)), and
 - (b) immediately before the group ceased to be a group for the purposes of this Part, a group allowance nomination had effect in relation to the group (including a group allowance nomination made after that event under section 269ZSA).
- (2) Sections 269ZT to 269ZV have effect subject to the following modifications—
- (a) section 269ZT(2)(a) does not apply to the company that was the nominated company under the group allowance nomination mentioned in subsection (1)(b) (accordingly, that company may submit a group allowance allocation statement under section 269ZT);
 - (b) for the purposes of sections 269ZT(2)(b), 269ZU(2) and 269ZV(7) and (8), treat the company that was the nominated company under the group allowance nomination mentioned in subsection (1)(b) as the company that is, for the time being, the nominated company in relation to the group;
 - (c) section 269ZV(5A) has effect as if the reference to a listed company that is the ultimate parent of a group were to a listed company that was the ultimate parent of the group immediately before the group ceased to be a group for the purposes of this Part.”

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