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## SCHEDULES

### SCHEDULE 30

#### TRANSITIONAL PROVISIONS AND SAVINGS

##### *Loss relief etc.*

- 6 (1) The substitution of this Act for the corresponding enactments repealed by this Act shall not alter the effect of any provision enacted before this Act (whether or not there is a corresponding provision in this Act) so far as it determines whether and to what extent —
- (a) losses or expenditure incurred in, or other amounts referable to, a chargeable period earlier than those to which this Act applies may be taken into account for any tax purposes in a chargeable period to which this Act applies; or
  - (b) losses or expenditure incurred in, or other amounts referable to, a chargeable period to which this Act applies may be taken into account for any tax purposes in a chargeable period earlier than those to which this Act applies.
- (2) Without prejudice to sub-paragraph (1) above, the repeals made by this Act shall not affect the following enactments (which are not re-enacted) —
- (a) section 27(4) of the Finance Act 1952 (restrictions on removal of six year time limit on carry forward of trading losses);
  - (b) section 29(3) of the Finance Act 1953 (Isles of Scilly);
  - (c) section 17 of, and Schedule 3 to, the Finance Act 1954 (company reconstructions before corporation tax) so far as in force by virtue of the saving in Part IV of Schedule 22 to the Finance Act 1965, and section 80(8) of the Finance Act 1965 (which amends Schedule 3 to the Finance Act 1954);
  - (d) section 82(4) of the Finance Act 1965 (losses allowable against chargeable gains);
  - (e) section 85 of the Finance Act 1965 (carry forward of surplus of franked investment income: dividends paid out of pre-1966-67 profits) and the enactments amending that section;
  - (f) paragraph 25 of Schedule 15 to the Finance Act 1965 (continuity of elections for purposes of corporation tax);
  - (g) paragraph 7 of Schedule 16 to the Finance Act 1965 (overseas trade corporations);
- in so far as those enactments may be relevant to tax for any chargeable period to which this Act applies.
- 7 (1) This paragraph shall apply with respect to claims for group relief in respect of any amount which is attributable —
- (a) to writing-down allowances, within the meaning of Chapter II of Part I of the 1968 Act, or, as the case may require, Chapter I of Part III of the Finance

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Act 1971, in respect of expenditure incurred by the surrendering company on the provision of machinery or plant; or

- (b) to initial allowances under section 56 of the 1968 Act (expenditure in connection with mines etc.) in respect of expenditure incurred by the surrendering company and falling within section 52(1) of that Act of 1971 (works in a development area or in Northern Ireland); or
- (c) to allowances under section 91 of the 1968 Act in respect of expenditure incurred by the surrendering company on scientific research;

where the expenditure is incurred under a contract entered into by the surrendering company before 6th March 1973.

- (2) Notwithstanding anything in section 410(1) to (6) or 413(7) to (10) or in Schedule 18 but subject to sub-paragraph (5) below, group relief may be claimed in respect of any such amount as is referred to in sub-paragraph (1) above if —

- (a) immediately before 6th March 1973 —
  - (i) the surrendering company and the company claiming relief were members of a group of companies, and
  - (ii) throughout the period beginning on that date and ending at the end of the accounting period in respect of which the claim is made, there is no reduction in the rights of the parent company with respect to the matters specified in section 413(7)(a) and (b); or
- (b) immediately before 6th March 1973 the company claiming relief was a member of a consortium and, throughout the period beginning on that date and ending at the end of the accounting period in respect of which the claim is made, there is
  - (i) no variation in the percentage of the ordinary share capital of the company owned by the consortium which is beneficially owned by that member, and
  - (ii) no reduction in the rights of that member (in respect of the company owned by the consortium) with respect to the matters specified in section 413(7)(a) and (b);

and in either case no such arrangements as are specified in section 410(1) or (2) have come into existence after 5th March 1973 with respect to any of the companies concerned and no variation is made in any such arrangements which are in existence on that date with respect to any of those companies.

- (3) For the purposes of sub-paragraph (2)(a) above, “the parent company” means the company of which another member of the group referred to in that sub-paragraph was, immediately before 6th March 1973, a 75 per cent subsidiary, and the rights of the parent company referred to in that paragraph are —

- (a) if the parent company is either the surrendering company or the company claiming relief, its rights in the other company; and
- (b) in any other case, its rights in both the surrendering company and the company claiming relief.

- (4) For the purposes of this paragraph an amount which the claimant company claims by way of group relief shall be treated as attributable to an allowance falling within any of paragraphs (a) to (c) of sub-paragraph (1) above to the extent that that amount would not have been available for surrender by the surrendering company if no such allowance had been available to the surrendering company in respect of the expenditure concerned.

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- (5) Sub-paragraph (2) above shall not apply if, during the period referred to in that sub-paragraph —
- (a) there is a major change in the nature or conduct of a trade or business carried on by the relevant company; or
  - (b) the relevant company sets up and commences a trade or business [<sup>F1</sup>, or begins to carry on a trade,] which it did not carry on immediately before 6th March 1973.
- (6) In sub-paragraph (5) above —“a major change in the nature or conduct of a trade or business” has the same meaning as in section 245(1); and “the relevant company” means, if the machinery or plant to which the allowance relates was brought into use on or before 6th March 1978, the company claiming group relief and in any other case either that company or the company which if sub-paragraph (5) did not apply would be the surrendering company.
- (7) This paragraph shall be construed as if it were contained in Chapter IV of Part X.

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**Textual Amendments**

- F1** Words in [Sch. 30 para. 7\(5\)\(b\)](#) inserted (1.4.2009 with effect in accordance with [s. 1329\(1\)](#) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 292\(4\)](#) (with [Sch. 2 Pts. 1, 2](#))

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act Tax Acts: power to modify conferred by [2004 c. 25 s. 18](#)
- Act Taxes Acts modified by 1970 c. 9, Sch. A1 para. 10(7) (as inserted) by [2017 c. 32 s. 60\(3\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8(7) (as inserted) by [2017 c. 32 Sch. 14 para. 3\(15\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8A(7) (as inserted) by [2017 c. 32 Sch. 14 para. 4\(12\)](#)
- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2010/875 was revoked (27.8.2010) by SI 2010/1906, reg. 2 without having come into force)

**Whole provisions yet to be inserted into this Act (including any effects on those provisions):**

- s. 109A(4B) inserted by [2005 c. 7 Sch. 4 para. 6\(3\)](#) (This amendment not applied to legislation.gov.uk. The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by 2005 c. 22, Sch. 6 para. 4(1)(6))
- Sch. 19AB para. 5(5)(a)(b) words substituted by [S.I. 2001/3629 art. 52\(2\)\(n\)](#) (This amendment not applied to legislation.gov.uk. The words to be substituted do not occur in Sch. 19AB para. 5)