



Corporation Tax Act 2009

2009 CHAPTER 4

PART 15

FILM PRODUCTION

CHAPTER 4

FILM LOSSES

1208 Application of sections 1209 and 1210

- (1) Sections 1209 and 1210 apply to a company that is the film production company in relation to a film.
- (2) In those sections—
 - “the completion period” means the accounting period of the company—
 - (a) in which the film is completed, or
 - (b) if the company does not complete the film, in which it abandons film-making activities in relation to the film,
 - “loss relief” includes any means by which a loss might be used to reduce the amount in respect of which the company, or any other person, is chargeable to tax,
 - “pre-completion period” means an accounting period of the company before the completion period, and
 - “the separate film trade” means the company's separate trade in relation to the film (see section 1188).

1209 Restriction on use of losses while film in production

- (1) This section applies if in a pre-completion period a loss is made in the separate film trade.

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- (2) The loss is not available for loss relief except to the extent that it may be carried forward under [^{F1}section 45 [^{F2}or 45B] of CTA 2010] to be [^{F3}deducted from] profits of the separate film trade in a subsequent period.
- [^{F4}(3) If the loss is carried forward under section 45 or 45B of CTA 2010 and deducted from profits of the separate film trade in a subsequent period, the deduction is to be ignored for the purposes of section 269ZB of CTA 2010 (restriction on deductions from trading profits).]

Textual Amendments

- F1** Words in s. 1209(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 680](#) (with [Sch. 2](#))
- F2** Words in s. 1209(2) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 28\(2\)\(a\)](#)
- F3** Words in s. 1209(2) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 28\(2\)\(b\)](#)
- F4** S. 1209(3) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 28\(3\)](#)

Modifications etc. (not altering text)

- C1** S. 1209 modified by [2010 c. 4, s. 357RF](#) (as inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\), s. 1](#))

1210 Use of losses in later periods

- (1) This section applies to the following (1) accounting periods of the company (“relevant later periods”)—
- (a) the completion period, and
 - (b) any subsequent accounting period during which the separate film trade continues.
- (2) Subsection (3) applies if a loss made in the separate film trade is carried forward under [^{F5}section 45 [^{F6}or 45B] of CTA 2010] from a pre-completion period to a relevant later period.
- (3) So much (if any) of the loss as is not attributable to film tax relief (see subsection (6)) may be treated for the purposes of [^{F7}section 37 and Part 5 of CTA 2010] as if it were a loss made in the period to which it is carried forward.
- (4) [^{F8}Subsections (5) and (5A) apply] if in a relevant later period a loss is made in the separate film trade.
- (5) The amount of the loss that may be—
- (a) [^{F9}deducted from total] profits of the same or an earlier period under [^{F10}section 37 of CTA 2010], or
 - [^{F11}(ab) carried forward under section 45A of that Act to be deducted from the total profits of a later period,]
 - (b) surrendered as group relief under [^{F12}Part 5] of that Act,
- is restricted to the amount (if any) that is not attributable to film tax relief (see subsection (6)).

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- [^{F13}(5A) A deduction under section 45 or 45B of CTA 2010 which is made in respect of so much of the loss as is attributable to film tax relief is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).]
- (6) The amount of a loss in any period that is attributable to film tax relief is calculated by deducting from the total amount of the loss the amount there would have been if there had been no additional deduction under Chapter 3 in that or any earlier period.
- (7) This section does not apply to a loss to the extent that it is carried forward or surrendered under section 1211.

Textual Amendments

- F5** Words in s. 1210(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 681\(2\)](#) (with [Sch. 2](#))
- F6** Words in s. 1210(2) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 29\(2\)](#)
- F7** Words in s. 1210(3) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 29\(3\)](#)
- F8** Words in s. 1210(4) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 29\(4\)](#)
- F9** Words in s. 1210(5)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 681\(3\)\(a\)\(i\)](#) (with [Sch. 2](#))
- F10** Words in s. 1210(5)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 681\(3\)\(a\)\(ii\)](#) (with [Sch. 2](#))
- F11** S. 1210(5)(ab) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 29\(5\)](#)
- F12** Words in s. 1210(5)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 681\(3\)\(b\)](#) (with [Sch. 2](#))
- F13** S. 1210(5A) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 4 para. 29\(6\)](#)

Modifications etc. (not altering text)

- C2** S. 1210 modified by [2010 c. 4, s. 357RG](#) (as inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\), s. 1](#))

1211 Terminal losses

- (1) This section applies if—
- a company (“company A”) is the film production company in relation to a qualifying film,
 - company A ceases to carry on its separate trade in relation to that film (“trade X”) (see section 1188), and
 - if company A had not ceased to carry on trade X, it could have carried forward an amount under [^{F14}section 45]^{F15}, 45A or 45B] of CTA 2010] to be set against profits of ^{F16}... a later period (“the terminal loss”).
- (2) If on cessation of trade X company A—
- is the film production company in relation to another qualifying film, and
 - is carrying on its separate trade in relation to that film (“trade Y”),
- it may (on making a claim) make an election under subsection (3).

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- (3) The election is to have the terminal loss (or a part of it) treated^[F17]—
- (a) in a case where the loss could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Y of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the loss could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Y which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.]
- (4) Subsection (5) applies if on cessation of trade X—
- (a) there is another company (“company B”) that is the film production company in relation to a qualifying film,
 - (b) company B is carrying on its separate trade in relation to that film (“trade Z”), and
 - (c) company B is in the same group as company A for the purposes of ^[F18]Part 5 of CTA 2010] (group relief).
- (5) Company A may surrender the terminal loss (or a part of it) to company B.
- (6) On the making of a claim by company B the amount surrendered is treated^[F19]—
- (a) in a case where the amount could have been carried forward under section 45 of CTA 2010 had trade X not ceased, as if it were a loss carried forward under that section to be set against the profits of trade Z of the first accounting period beginning after the cessation and so on, and
 - (b) in a case where the amount could have been carried forward under section 45A or 45B of CTA 2010 had trade X not ceased, as if it were a loss made in trade Z which has been carried forward under section 45B of that Act to the first accounting period beginning after the cessation.]
- (7) The Treasury may, in relation to the surrender of a loss under subsection (5) and the resulting claim under subsection (6), make provision by regulations corresponding, subject to such adaptations or other modifications as appear to them to be appropriate, to that made by Part 8 of Schedule 18 to FA 1998 (company tax returns: claims for group relief).
- ^[F20](7A) A deduction under section 45 or 45B of CTA 2010 which is made in reliance on this section is to be ignored for the purposes of section 269ZB of that Act (restriction on deductions from trading profits).]
- (8) “Qualifying film” means a film in relation to which the conditions for film tax relief are met (see section 1195(2)).

Textual Amendments

- F14** Words in s. 1211(1)(c) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 682\(2\)](#) (with [Sch. 2](#))
- F15** Words in s. 1211(1)(c) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 4 para. 30\(2\)\(a\)](#)
- F16** Words in s. 1211(1)(c) omitted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by virtue of [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 4 para. 30\(2\)\(b\)](#)
- F17** Words in s. 1211(3) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 4 para. 30\(3\)](#)

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- F18** Words in s. 1211(4)(c) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 682(4)** (with [Sch. 2](#))
- F19** Words in s. 1211(6) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 30(4)**
- F20** S. 1211(7A) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 30(5)**

Modifications etc. (not altering text)

- C3** S. 1211 modified by [2010 c. 4](#), **s. 357RH** (as inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\)](#), **s. 1**)

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

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

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

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)