

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, SCHEDULE 6. (See end of Document for details)

SCHEDULES

SCHEDULE 6

Section 12

CONSORTIUM CLAIMS FOR GROUP RELIEF

Introductory

1 Chapter 4 of Part 5 of CTA 2010 (claims for group relief) is amended as follows.

Ability to claim group relief where link company established in the EEA

2 In section 129 (overview of Chapter), in subsection (2), for “Sections 130 to 134” substitute “ Sections 130 to 134A ”.

3 In section 130(2) (group relief claims on amounts surrenderable under Chapter 2), in Requirement 3—

- (a) in paragraph (c), for “section 133(1), (3) and (4)” substitute “ section 133(1) and (3) to (8) ”, and
- (b) in paragraph (d), for “section 133(2), (3) and (4)” substitute “ section 133(2) to (8) ”.

4 (1) Section 133 (conditions to be met for consortium claims for group relief) is amended as follows.

(2) In subsection (1)—

- (a) omit the “and” at the end of paragraph (e), and
- (b) for paragraph (f) substitute—
 - “(f) the surrendering company and the claimant company are both UK related, and
 - (g) the link company is UK related or established in the EEA.”

(3) In subsection (2)—

- (a) omit the “and” at the end of paragraph (e), and
- (b) for paragraph (f) substitute—
 - “(f) the surrendering company and the claimant company are both UK related, and
 - (g) the link company is UK related or established in the EEA.”

^{F1}(4)

Textual Amendments

F1 Sch. 6 para. 4(4) omitted (with effect in accordance with s. 35(3) of the amending Act) by virtue of Finance (No. 2) Act 2015 (c. 33), s. 35(2)(d)

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Textual Amendments

F2 Sch. 6 para. 5 omitted (with effect in accordance with s. 35(3) of the amending Act) by virtue of Finance (No. 2) Act 2015 (c. 33), s. 35(2)(d)

- 6 (1) Section 146 (maximum amount of group relief in consortium claims) is amended as follows.
- (2) In subsection (3)—
- (a) omit the “and” at the end of paragraph (a), and
 - (b) after that paragraph insert—

“(aa) assuming that the link company was UK related, and”.
- (3) In subsection (6), at the end insert “, assuming that the link company was UK related.”
- (4) In subsection (8)—
- (a) omit the “and” at the end of the definition of “consortium claim”, and
 - (b) at the end insert “, and

UK related”, in relation to a company, has the meaning given by section 134.”

Limitations on group relief based on proportion of voting power held by company

- 7 (1) Section 143 (which makes provision limiting the amount of group relief that is available in cases where the surrendering company is owned by a consortium) is amended as follows.
- (2) In subsection (3)—
- (a) omit the “and” at the end of paragraph (b), and
 - (b) at the end of paragraph (c) insert “, and
 - (d) the proportion of the voting power in the surrendering company that is directly possessed by the claimant company.”
- (3) In subsection (4)(a), for “paragraphs (a) to (c)” substitute “ paragraphs (a) to (d) ”.
- 8 (1) Section 144 (which makes provision limiting the amount of group relief that is available in cases where the claimant company is owned by a consortium) is amended as follows.
- (2) In subsection (3)—
- (a) omit the “and” at the end of paragraph (b), and
 - (b) at the end of paragraph (c) insert “, and
 - (d) the proportion of the voting power in the claimant company that is directly possessed by the surrendering company.”
- (3) In subsection (4)(a), for “paragraphs (a) to (c)” substitute “ paragraphs (a) to (d) ”.

Limitations on group relief where arrangements preventing control are in place

- 9 After section 146 insert—

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“146A Conditions 1 and 2: surrendering company not controlled by claimant company etc

- (1) This section applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 1,
 - (b) it is the surrendering company that is owned by the consortium, and
 - (c) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the claimant company, either alone or together with one or more other companies that are members of the consortium, from controlling the surrendering company.
- (2) This section also applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 2, and
 - (b) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the link company, either alone or together with one or more other companies that are members of the consortium, from controlling the surrendering company.
- (3) Arrangements are within this subsection if—
 - (a) the company, either alone or together with one or more other companies that are members of the consortium, would control the surrendering company, but for the existence of the arrangements, and
 - (b) the arrangements form part of a scheme the main purpose, or one of the main purposes, of which is to enable the claimant company to obtain a tax advantage under this Chapter.
- (4) The group relief to be given on the claim is to be determined as if the surrenderable amount for the overlapping period were 50% of what it would be but for this section (see section 139(2) to determine the surrenderable amount for the overlapping period).
- (5) In this section “the overlapping period” is to be read in accordance with section 142.
- (6) Section 1139 (“tax advantage”) applies for the purposes of this section.

146B Conditions 1 and 3: claimant company not controlled by surrendering company etc

- (1) This section applies if—
 - (a) the claimant company makes a claim for group relief based on consortium condition 1,
 - (b) it is the claimant company that is owned by the consortium, and
 - (c) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the surrendering company, either alone or together with one or

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more other companies that are members of the consortium, from controlling the claimant company.

- (2) This section also applies if—
- (a) the claimant company makes a claim for group relief based on consortium condition 3, and
 - (b) during any part of the overlapping period, arrangements within subsection (3) are in place which enable a person to prevent the link company, either alone or together with one or more other companies that are members of the consortium, from controlling the claimant company.
- (3) Arrangements are within this subsection if—
- (a) the company, either alone or together with one or more other companies that are members of the consortium, would control the claimant company, but for the existence of the arrangements, and
 - (b) the arrangements form part of a scheme the main purpose, or one of the main purposes, of which is to enable the claimant company to obtain a tax advantage under this Chapter.
- (4) The group relief to be given on the claim is to be determined as if the claimant company's total profits for the overlapping period were 50% of what they would be but for this section (see section 140(2) to determine the total profits for the overlapping period).
- (5) In this section “the overlapping period” is to be read in accordance with section 142.
- (6) Section 1139 (“tax advantage”) applies for the purposes of this section.”

Commencement

- 10 The amendments made by this Schedule have effect in relation to accounting periods beginning on or after 12 July 2010.

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