

*These notes refer to the Corporation Tax Act 2010  
(c.4) which received Royal Assent on 3 March 2010*

# CORPORATION TAX ACT 2010

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## EXPLANATORY NOTES

### INTRODUCTION

#### **Part 3: Companies with small profits**

##### *Section 21: Company with ring fence profits and other profits*

88. This section is the third of five that set out the rules for marginal relief. It is based on section 3 of FA 2007 and section 7 of FA 2008.
89. Three conditions for the relief are the same as those for entitlement to marginal relief (see the commentary on section 19). But for the purposes of this section the augmented profits include both ring fence and other profits.
90. *Subsection (2)* gives a deduction in two parts: one relating to the ring fence amount (see section 22); the other relating to the remaining amount (see section 23).