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SCHEDULES

SCHEDULE 4

RELIEF FOR CARRIED-FORWARD LOSSES

PART 1

AMENDMENT OF GENERAL RULES ABOUT CARRYING FORWARD LOSSES

Non-trading deficits from loan relationships

- 1 Part 5 of CTA 2009 (loan relationships) is amended as follows.
- 2 In the heading of Chapter 16 (non-trading deficits) at the end insert “ : pre-1 April 2017 deficits and charities ”.
- 3 In section 456 (introduction to Chapter 16) in subsection (1)—
- (a) after “if” insert “—
(a)”,
and
 - (b) at the end insert “, and
(b) either—
 - (i) that accounting period begins before 1 April 2017,
or
 - (ii) at the end of that accounting period the company
is a charity”.
- 4 After section 463 insert—

“CHAPTER 16A

NON-TRADING DEFICITS: POST 1 APRIL 2017 DEFICITS

463A Introduction to Chapter

- (1) This Chapter applies if—
- (a) for any accounting period beginning on or after 1 April 2017 a company has a non-trading deficit from its loan relationships under section 301(6), and
 - (b) at the end of that accounting period the company is not a charity.
- (2) In this Chapter “the deficit” and “the deficit period” mean that deficit and that period respectively.
- (3) Sections 463B and 463C deal with claims to set off the deficit against profits of the deficit period or earlier periods.

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- (4) Sections 463D to 463F deal with the consequences of such claims.
- (5) Sections 463G to 463I provide for so much of the deficit as is not—
 - (a) set off against profits under section 463B, or
 - (b) surrendered as group relief under Part 5 of CTA 2010,
 to be carried forward to later accounting periods.

463B Claim to set off deficit against profits of deficit period or earlier periods

- (1) The company may make a claim for the whole or part of the deficit—
 - (a) to be set off against any profits of the company (of whatever description) for the deficit period, or
 - (b) to be carried back to be set off against profits for earlier accounting periods.
- (2) No claim may be made under subsection (1) in respect of so much of the deficit as is surrendered as group relief under Part 5 of CTA 2010.
- (3) For time limits and other provisions applicable to claims under subsection (1), see section 463C.
- (4) For what happens when a claim is made under subsection (1)(a), see section 463D.
- (5) For what happens when a claim is made under subsection (1)(b), and the profits available for relief when such a claim is made, see sections 463E and 463F.

463C Time limits for claims under section 463B(1)

- (1) A claim under section 463B(1) must be made within—
 - (a) the period of 2 years after the deficit period ends, or
 - (b) such further period as an officer of Revenue and Customs allows.
- (2) Different claims may be made in respect of different parts of a non-trading deficit for any deficit period.
- (3) But no claim may be made in respect of any part of a deficit to which another such claim relates.

463D Claim to set off deficit against profits for the deficit period

- (1) This section applies if a claim is made under section 463B(1)(a) for the whole or part of the deficit to be set off against profits for the deficit period.
- (2) The amount of the deficit to which the claim relates must be set off against the profits of the company for the deficit period which are identified in the claim.
- (3) Those profits are reduced accordingly.
- (4) Relief under this section must be given before relief is given against profits for the deficit period—

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- (a) under section 37 or 62(1) to (3) of CTA 2010 (deduction of losses from total profits for the same or earlier accounting periods), or
 - (b) as a result of a claim under section 463B(1)(b) (carry-back) in respect of a deficit for a later period.
- (5) No relief may be given under this section against ring fence profits of the company within the meaning of Part 8 of CTA 2010 (oil activities) or contractor's ring fence profits of the company within the meaning of Part 8ZA of that Act (oil contractors).

463E Claim to carry back deficit to earlier periods

- (1) This section applies if a claim is made under section 463B(1)(b) for the whole or part of the deficit to be carried back to be set off against profits for accounting periods before the deficit period.
- (2) The claim has effect only if it relates to an amount no greater than the lesser of—
 - (a) so much of the deficit as is not an amount in relation to which a claim is made under section 463B(1)(a), and
 - (b) the total amount of the profits available for relief under this section.
- (3) Section 463F explains which profits are so available.
- (4) The amount to which the claim relates is set off against those profits by treating them as reduced accordingly.
- (5) If those profits are profits for more than one accounting period, the relief is applied by setting off the amount to which the claim relates against profits for a later period before setting off any remainder of that amount against profits for an earlier period.

463F Profits available for relief under section 463E

- (1) The profits available for relief under section 463E are the amounts which (apart from the relief) would be charged under this Part as profits for accounting periods ending within the permitted period after giving every prior relief.
- (2) In this section—
 - “the permitted period” means the period of 12 months immediately before the deficit period, and
 - “prior relief” means a relief which subsection (5) provides must be given before relief under section 463E.
- (3) If an accounting period ending within the permitted period begins before it, only a part of the amount which (apart from the relief) would be chargeable under this Part for the period, after giving every prior relief, is available for relief under section 463E.
- (4) That part is so much as is proportionate to the part of the accounting period in the permitted period.
- (5) The reliefs which must be given before relief under section 463E are—

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- (a) relief as a result of a claim under section 459(1)(a) or section 463B(1)(a) (claim for deficit to be set off against total profits for the deficit period),
- (b) relief in respect of a loss or deficit incurred or treated as incurred in an accounting period before the deficit period,
- (c) relief under Part 6 of CTA 2010 (charitable donations relief in respect of payments made wholly and exclusively for the purposes of a trade),
- (d) relief under section 37 of CTA 2010 (losses deducted from total profits of the same or an earlier accounting period), and
- (e) if the company is a company with investment business for the purposes of Part 16 (companies with investment business)—
 - (i) any deduction in respect of management expenses under section 1219 (expenses of management of a company's investment business),
 - (ii) relief under Part 6 of CTA 2010 in respect of payments made wholly and exclusively for the purposes of its business, and
 - (iii) any allowance under Part 2 of CAA 2001 (plant and machinery allowances).

463G Carry forward of unrelieved deficit against total profits

- (1) This section applies if conditions A to D are met.
- (2) Condition A is that—
 - (a) any amount of the deficit (“the unrelieved amount”) is not—
 - (i) set off against profits on a claim under section 463B(1), or
 - (ii) surrendered as group relief under Part 5 of CTA 2010.
- (3) Condition B is that it is not the case—
 - (a) that the company ceased to be a company with investment business in the deficit period, or
 - (b) (if the company was a company with investment business immediately before the beginning of the deficit period) that its investment business became small or negligible in the deficit period.
- (4) Condition C is that (if the company is a Solvency 2 insurance company) it is not the case that the whole of the deficit is a shock loss.
- (5) Condition D is that (if the company is a general insurance company) the first accounting period after the deficit period is not an excluded accounting period.
- (6) The unrelieved amount is carried forward to the first accounting period after the deficit period.
- (7) The company may make a claim for the whole or part of the unrelieved amount to be set off against the company's total profits for the first accounting period after the deficit period.
- (8) If a claim is made under subsection (7)—

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- (a) the unrelieved amount, or the part of it to which the claim relates, must be set off against the company's total profits for the first accounting period after the deficit period, and
 - (b) those profits are reduced accordingly.
- (9) No claim may be made under subsection (7) in respect of so much of the unrelieved amount as is surrendered under Part 5A of CTA 2010 (group relief for carried-forward losses).
- (10) A claim under subsection (7) must be made within—
 - (a) the period of two years after the end of the first accounting period after the deficit period, or
 - (b) such further period as an officer of Revenue and Customs allows.
- (11) No relief may be given under this section against ring fence profits of the company within the meaning of Part 8 of CTA 2010 (oil activities) or contractor's ring fence profits of the company within the meaning of Part 8ZA of that Act (oil contractors).
- (12) If —
 - (a) the company is a Solvency 2 insurance company, and
 - (b) the deficit is partly (but not wholly) a shock loss,subsections (6) to (9) have effect as if references to the unrelieved amount were to the eligible amount (see subsection (13)).
- (13) In this section “the eligible amount” means so much of the unrelieved amount as is not a shock loss; and for the purpose of determining how much of the unrelieved amount is, or is not, a shock loss, it is to be assumed that in setting off or surrendering amounts as mentioned in subsection (2)(a)(i) and (ii) the company uses shock losses before other amounts.
- (14) In this Chapter—
 - “company with investment business” has the same meaning as in Part 16 (see section 1218B);
 - “excluded accounting period” has the meaning given by section 269ZG of CTA 2010;
 - “general insurance company” is to be interpreted in accordance with section 269ZG of CTA 2010;
 - “shock loss” has the meaning given by section 269ZK of CTA 2010;
 - “Solvency 2 insurance company” means an insurance company as defined in section 269ZP(2) of CTA 2010.
- (15) In this Chapter references to a company's investment business are to be construed in accordance with section 1219(2).

463H Carry forward of unrelieved deficit against non-trading profits

- (1) Subsections (4) to (8) apply if—
 - (a) section 463G would apply but for the fact that the company's investment business became small or negligible in the accounting period mentioned in subsection (3)(b) of that section,

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- (b) section 463G would apply but for condition D in that section (no carry-forward to an excluded accounting period of a general insurance company), or
 - (c) the company is a Solvency 2 insurance company and any amount of the deficit would be eligible to be carried forward under section 463G(6) were that amount not a shock loss (see section 463G(4), (12) and (13)).
- (2) Subsections (4) to (8) also apply if—
- (a) subsections (6) to (10) of section 463G would apply but for the fact that the company's investment business became small or negligible in the accounting period mentioned in section 463I(1)(c)(ii), or
 - (b) subsections (6) to (10) of section 463G would apply but for section 463I(1)(d) (no carry-forward under those subsections to an excluded accounting period of a general insurance company).
- (3) In this section the “unrelieved amount”—
- (a) in a case within paragraph (a) or (b) of subsection (1), is to be interpreted in accordance with section 463G(2);
 - (b) in a case within paragraph (c) of subsection (1), means the amount mentioned in that paragraph;
 - (c) in a case within subsection (2), means so much of the deficit mentioned in section 463I(1)(a) as is not set off as mentioned in section 463I(1)(b)(i) or surrendered as mentioned in section 463I(1)(b)(ii).
- (4) The unrelieved amount is carried forward to the first accounting period (“period 2”) after—
- (a) (in a case within subsection (1)) the deficit period, or
 - (b) (in a case within subsection (2)) the period mentioned in section 463I(1)(a).
- (5) So much of the unrelieved amount as is not the subject of a claim under subsection (7) must be set off against the non-trading profits of the company for period 2.
- (6) Those profits are reduced accordingly.
- (7) The company may make a claim for relief under subsection (5) not to be given in period 2 for the unrelieved amount or so much of it as is specified in the claim.
- (8) A claim under subsection (7) is effective if, and only if, it is made—
- (a) within the period of two years after the end of period 2, or
 - (b) within such further period as an officer of Revenue and Customs may allow.
- (9) Subsection (10) applies if any amount is carried forward under subsection (4) to an accounting period (“the carry forward period”) and—
- (a) cannot be set off under subsection (5) against non-trading profits of that period, or
 - (b) is the subject of a claim under subsection (7).

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- (10) If the company continues to be a company with investment business throughout the carry forward period, subsections (4) to (8) have effect as if—
- (a) references to the unrelieved amount were to the amount mentioned in subsection (9), and
 - (b) references to—
 - (i) the deficit period, or
 - (ii) the period mentioned in section 463I(1)(a),were to the carry forward period.
- (11) In this section “non-trading profits”, in relation to a company, means so much of the company's profits as does not consist of trading income for the purposes of section 37 of CTA 2010 (deduction of trading losses from total profits of the same or an earlier period).

463I Re-application of section 463G if any deficit remains after previous application

- (1) This section applies if—
- (a) any amount of the deficit is carried forward to an accounting period (“the later period”) of the company under section 463G(6),
 - (b) any of that amount is not—
 - (i) set off against the company's total profits for the later period on a claim under section 463G(7), or
 - (ii) surrendered as group relief for carried-forward losses under Part 5A of CTA 2010,
 - (c) it is not the case—
 - (i) that the company ceased to be a company with investment business in the later period, or
 - (ii) (if the company was a company with investment business immediately before the beginning of the later period) that its investment business became small or negligible in the later period, and
 - (d) it is not the case that the first accounting period after the later period is an excluded accounting period of a general insurance company.
- (2) Subsections (6) to (10) of section 463G apply as if—
- (a) references to the unrelieved amount were to so much of the amount of the deficit carried forward to the later period as is not set off or surrendered as mentioned in subsection (1)(b), and
 - (b) references to the deficit period were to the later period.”

Non-trading losses on intangible fixed assets

- 5 (1) Section 753 of CTA 2009 (treatment of non-trading loss) is amended as follows.
- (2) In subsection (3) (carry forward of non-trading loss)—
- (a) in the words before paragraph (a), after “not” insert “, in any period (“the reference period”)”;
 - (b) in the words after paragraph (b) for “debit of” substitute “ loss on intangible fixed assets for ”.

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(3) After subsection (3) insert—

“(4) But subsection (3) does not apply if the company ceased to be a company with investment business in the reference period.

(5) In the application of subsection (3) to an amount of a loss previously carried forward under that subsection, the reference in paragraph (b) to group relief under Part 5 of CTA 2010 is to be read as a reference to group relief for carried-forward losses under Part 5A of that Act.

(6) In this section “company with investment business” has the same meaning as in Part 16 (see section 1218B).”

Expenses of management of investment business etc

6 (1) Section 1223 of CTA 2009 (carrying forward expenses of management and other amounts) is amended as follows.

(2) In subsection (1)(b)—

(a) for “amounts” substitute “ an amount ”, and

(b) after “(2)(c),” insert “—

(i) a claim relating to the whole of the amount has not been made under subsection (3B), or”.

(3) After subsection (3) insert—

“(3A) But subsection (3) does not apply in relation to so much of the excess as is surrendered as group relief under Part 5 of CTA 2010 or as group relief for carried-forward losses under Part 5A of that Act.

(3B) A deduction in respect of the excess may be made under section 1219 for the next accounting period only on the making by the company of a claim.

(3C) A claim may relate to the whole of the excess or to part of it only.

(3D) A claim must be made—

(a) within the period of two years after the end of the next accounting period, or

(b) within such further period as an officer of Revenue and Customs may allow.

(3E) Subsection (1A) of section 1219 does not apply in relation to a deduction in respect of the excess made for the next accounting period.”

Trading losses

7 Chapter 2 of Part 4 of CTA 2010 (trade losses) is amended as follows.

8 In section 36 (introduction to Chapter) for subsection (1) substitute—

“(1) This Chapter provides relief for a loss made by a company in a trade (see sections 37 to 47)”.

9 For the italic heading before section 37 substitute— “ Relief in loss-making period and carry back relief ”.

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- 10 (1) Section 45 (carry forward of trade loss against subsequent trade profits) is amended as follows.
- (2) In the heading, after “of” insert “ pre-1 April 2017 ”.
- (3) In subsection (1) after “accounting period” insert “ beginning before 1 April 2017 ”.
- (4) In subsection (4)(b) for “cannot be” substitute “ is not ”.
- (5) After subsection (4) insert—
- “(4A) But the company may make a claim that the profits of the trade of an accounting period specified in the claim are not to be reduced by the unrelieved loss, or are not to be reduced by the unrelieved loss by more than an amount specified in the claim.
- (4B) A claim under subsection (4A) may specify an accounting period only if it begins on or after 1 April 2017.
- (4C) A claim under subsection (4A) is effective if, and only if, it is made—
- (a) within the period of two years after the end of the accounting period specified in the claim, or
- (b) within such further period as an officer of Revenue and Customs may allow.”
- (6) In subsection (5) for “section” (in the second place it occurs) substitute “ , sections 45B, 45F and ”.
- 11 After section 45 insert—

“45A Carry forward of post-1 April 2017 trade loss against total profits

- (1) This section applies if—
- (a) in an accounting period (“the loss-making period”) beginning on or after 1 April 2017 a company carrying on a trade makes a loss in the trade,
- (b) relief under section 37 or Part 5 (group relief) is not given for an amount of the loss (“the unrelieved amount”),
- (c) the company continues to carry on the trade in the next accounting period (“the later period”), and
- (d) the conditions in subsection (3) are met.
- (2) But this section does not apply if the trade is a ring fence trade.
- (3) The conditions are that—
- (a) the trade did not become small or negligible in the loss-making period,
- (b) relief under section 37 was not unavailable for the loss by reason of—
- (i) section 37(5), 44, 48 or 52, or
- (ii) section 1209, 1216DA, 1217DA, 1217MA, 1217SA or 1218ZDA of CTA 2009,
- (c) relief under section 37 would not be unavailable by reason of section 44 for a loss (assuming there was one) made in the trade in the later period,

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- (d) if the company is a Solvency 2 insurance company the loss is not a shock loss (see subsections (9) and (10)), and
 - (e) the later period is not an excluded accounting period of a general insurance company.
- (4) The unrelieved amount is carried forward to the later period.
- (5) The company may make a claim for relief to be given in the later period for the unrelieved amount or for any part of it specified in the claim.
- (6) If the company makes a claim, the relief is given by deducting the unrelieved amount, or the specified part of it, from the company's total profits of the later period.
- (7) A claim under this section must be made—
- (a) within the period of two years after the end of the later period, or
 - (b) within such further period as an officer of Revenue and Customs may allow.
- (8) Relief under this section is subject to restriction or modification in accordance with provisions of the Corporation Tax Acts.
- (9) For the purposes of this section and section 45B, a loss which is partly, but not wholly, a shock loss is to be treated as if—
- (a) the amount that is a shock loss, and
 - (b) the amount that is not,
- were separate losses.
- (10) In this section—
- “excluded accounting period” has the meaning given by section 269ZG;
 - “general insurance company” is to be interpreted in accordance with section 269ZG(6);
 - “ring fence trade” has the same meaning as in Part 8 (see section 277);
 - “Solvency 2 insurance company” means an insurance company as defined in section 269ZP(2);
 - “shock loss” has the meaning given by section 269ZK.

45B Carry forward of post-1 April 2017 trade loss against trade profits

- (1) This section applies if—
- (a) in an accounting period (“the loss-making period”) beginning on or after 1 April 2017 a company carrying on a trade makes a loss in the trade,
 - (b) relief under section 37 or 42 or Part 5 (group relief) is not given for an amount of the loss (“the unrelieved amount”),
 - (c) the company continues to carry on the trade in the next accounting period (“the later period”), and
 - (d) case 1, 2 or 3 applies.
- Case 1 is that any of the conditions in section 45A(3) are not met.

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Case 2 is that relief for the unrelieved amount was not available under section 45A by reason of section 1210(5), 1216DB(5) or 1217DB(5) of CTA 2009.

Case 3 is that the trade is a ring fence trade.

- (2) The unrelieved amount is carried forward to the later period.
- (3) Relief for the unrelieved amount is given to the company in the later period if the company makes a profit in the trade in the later period.
- (4) The relief is given by reducing the profits of the trade of the later period by the unrelieved amount.
- (5) But the company may make a claim for relief not to be given in the later period for the unrelieved amount or for any part of it specified in the claim.
- (6) A claim under subsection (5) is effective if, and only if, it is made—
 - (a) within the period of two years after the end of the later period, or
 - (b) within such further period as an officer of Revenue and Customs may allow.
- (7) If the trade is a ring fence trade, this section has effect only in relation to so much of the loss mentioned in subsection (1)(a) as is not a non-decommissioning loss.
- (8) Relief under this section is subject to restriction or modification in accordance with provisions of the Corporation Tax Acts.
- (9) In this section—

“non-decommissioning loss” is to be interpreted in accordance with section 303A;

“ring fence trade” has the same meaning as in Part 8 (see section 277).
- (10) See also section 45A(9) (splitting for the purposes of that section and this section of losses that are partly, but not wholly, shock losses of insurance companies).

45C Re-application of section 45A if loss remains after previous application

- (1) This section applies if—
 - (a) an amount of a loss made in a trade is carried forward to an accounting period (“the later period”) of a company under section 45A(4),
 - (b) any of that amount is not deducted from the company's total profits of the later period on a claim under section 45A(5) or surrendered by way of group relief for carried forward-losses under Part 5A,
 - (c) the company continues to carry on the trade in the accounting period (“the further period”) after the later period, and
 - (d) the conditions in subsection (2) are met.
- (2) The conditions are that—
 - (a) the trade did not become small or negligible in the later period,

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- (b) relief under section 37 would not be unavailable by reason of section 44 for a loss (assuming there was one) made in the trade in the further period, and
 - (c) the further period is not an excluded accounting period of a general insurance company.
- (3) Subsections (4) to (8) of section 45A apply as if—
- (a) references to the unrelieved amount were to so much of the amount carried forward to the later period as is not deducted or surrendered as mentioned in subsection (1)(b), and
 - (b) references to the later period were to the further period.
- (4) In this section “excluded accounting period” and “general insurance company” have the same meaning as in section 45A.

45D Application of section 45B if loss remains after application of section 45A

- (1) This section applies if—
- (a) an amount of a loss made in a trade is carried forward to an accounting period (“the later period”) of a company under section 45A(4),
 - (b) any of that amount is not deducted from the company's total profits of the later period on a claim under section 45A(5) or surrendered by way of group relief for carried forward-losses under Part 5A,
 - (c) the company continues to carry on the trade in the accounting period (“the further period”) after the later period, and
 - (d) any of the conditions in section 45C(2) is not met.
- (2) Subsections (2) to (8) of section 45B apply as if—
- (a) references to the unrelieved amount were to so much of the amount carried forward to the later period as is not deducted or surrendered as mentioned in subsection (1)(b), and
 - (b) references to the later period were to the further period.

45E Re-application of section 45B if loss remains after previous application

- (1) This section applies if—
- (a) an amount of a loss made in a trade is carried forward to an accounting period (“the later period”) of a company under section 45B(2),
 - (b) any of that amount is not used under section 45B(4) to reduce profits of the trade for the later period, and
 - (c) the company continues to carry on the trade in the accounting period (“the further period”) after the later period.
- (2) Subsections (2) to (8) of section 45B apply as if—
- (a) references to the unrelieved amount were to so much of the amount carried forward to the later period as was not used as mentioned in subsection (1)(b), and
 - (b) references to the later period were to the further period.

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45F Terminal losses: relief unrestricted by Part 7ZA and 7A

- (1) This section applies if—
 - (a) a company makes a loss in a trade in an accounting period (the “loss-making period”),
 - (b) an amount of that loss is carried forward to an accounting period of the company (“the terminal period”) under section 45, 45A or 45B,
 - (c) relief in the terminal period is not given under section 45, 45A or (as the case may be) 45B for that amount or for any part of it, and
 - (d) the company ceases to carry on the trade in the terminal period.
- (2) The company may make a claim for relief to be given for the unrelieved amount under this section.
- (3) If the company makes a claim the relief is given by deducting the unrelieved amount from the relevant profits of the company of—
 - (a) the terminal period, and
 - (b) previous accounting periods so far as they fall (wholly or partly) within the period of 3 years ending with the end of the terminal period.
- (4) But no deduction is to be made under subsection (3) for any accounting period which is—
 - (a) the loss-making period,
 - (b) a period before the loss-making period, or
 - (c) a period beginning before 1 April 2017.
- (5) The amount of a deduction to be made under subsection (3) for any accounting period is the amount of the unrelieved amount so far as it cannot be deducted under that subsection for a subsequent accounting period.
- (6) The company's claim must be made—
 - (a) within the period of two years after the end of the terminal period, or
 - (b) within such further period as an officer of Revenue and Customs may allow.
- (7) In this section—

“the unrelieved amount” means so much of the amount mentioned in subsection (1)(b) for which relief is not given in the terminal period under section 45, 45A or (as the case may be) 45B, and

“relevant profits”, in relation to the terminal period or any previous accounting period, means—

 - (a) the total profits of the company of the period, in a case where the unrelieved amount was carried forward to the terminal period under section 45A,
 - (b) the profits of the trade of the period, in a case where the unrelieved amount was carried forward to the terminal period under section 45 or 45B.
- (8) Relief under this section is subject to restriction or modification in accordance with provisions of the Corporation Tax Acts.

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45G Section 45F: accounting period falling partly within 3 year period

- (1) This section applies if an accounting period falls partly within the period of 3 years mentioned in section 45F(3)(b).
- (2) The amount of the deduction for the unrelieved amount for the accounting period is not to exceed an amount equal to the overlapping proportion of the company's relevant profits of that period.
- (3) The overlapping proportion is the same as the proportion that the part of the accounting period falling within the period of 3 years bears to the whole of the accounting period.
- (4) In this section “the unrelieved amount” and “relevant profits” have the meaning given by section 45F(7).

45H Section 45F: transfers of trade to obtain relief

Section 45F does not apply by reason of a company ceasing to carry on a trade if—

- (a) on the company ceasing to carry on the trade, any of the activities of the trade begin to be carried on by a person who is not (or by persons any or all of whom are not) within the charge to corporation tax, and
- (b) the company's ceasing to carry on the trade is part of a scheme or arrangement the main purpose, or one of the main purposes, of which is to secure that that section applies by reason of the cessation.”

UK property business losses

12 Chapter 4 of Part 4 of CTA 2010 (property losses) is amended as follows.

13 (1) Section 62 (relief for losses made in UK property business) is amended as follows.

(2) In subsection (4)—

- (a) in the words before paragraph (a), for “Subsection (5) applies” substitute “Subsections (5) to (5C) apply”, and
- (b) for paragraph (a) substitute—

“(a) an amount of the loss is not deducted as mentioned in subsection (3) or surrendered by way of group relief under Part 5.”.

(3) In subsection (5), for the words before paragraph (a) substitute “The amount”.

(4) After subsection (5) insert—

“(5A) But relief under subsection (2) for the amount is given to the company in the next accounting period only on the making by the company of a claim.

(5B) A claim may relate to the whole of the amount or to part of it only.

(5C) A claim must be made—

- (a) within the period of two years after the end of the next accounting period, or

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- (b) within such further period as an officer of Revenue and Customs may allow.
- (5D) In the application of this section to an amount of a loss previously carried forward under subsection (5), the reference in subsection (4)(a) to group relief under Part 5 is to be read as a reference to group relief for carried-forward losses under Part 5A.”
- 14 (1) Section 63 (company with investment business ceasing to carry on UK property business) is amended as follows.
 - (2) For subsection (2) substitute—

“(2) Subsections (3) to (7) apply if an amount of loss made in carrying on the UK property business would be carried forward to the next accounting period under section 62(5) but for the company ceasing to carry on the business or to be within the charge to corporation tax in respect of it.”
 - (3) In subsection (3)(b) for “that” substitute “ the next accounting ”.
 - (4) After subsection (3) insert—

“(4) But a deduction in respect of the amount of loss may be made under section 1219 of CTA 2009 for the next accounting period only on the making by the company of a claim.
 - (5) A claim may relate to the whole of the amount of the loss or to part of it only.
 - (6) A claim must be made—
 - (a) within the period of two years after the end of the next accounting period, or
 - (b) within such further period as an officer of Revenue and Customs may allow.
 - (7) Subsection (1A) of section 1219 of CTA 2009 does not apply in relation to a deduction in respect of the amount of loss made for the next accounting period.”

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

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

- Sch. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)