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SCHEDULES

SCHEDULE 4

RELIEF FOR CARRIED-FORWARD LOSSES

PART 11

MINOR AND CONSEQUENTIAL AMENDMENTS

ICTA

- 106 (1) Section 826 of ICTA (interest on tax overpaid) is amended as follows.
- (2) After subsection (7A) insert—
- “(7AA) In any case where—
- (a) a company ceases to carry on a trade in an accounting period (“the terminal period”),
 - (b) as a result of a claim under section 45F of CTA 2010, the whole or any part of a loss made in the trade is relieved for the purposes of corporation tax against profits (of whatever description) of an earlier accounting period (“the earlier period”) which does not fall wholly within the period of 12 months immediately preceding the terminal period, and
 - (c) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that accounting period,
- then, in determining the amount of interest (if any) payable under this section on the repayment referred to in paragraph (c) above, no account shall be taken of so much of the amount of that repayment as falls to be made as a result of the claim under section 45F, except so far as concerns interest for any time after the date on which any corporation tax for the terminal period became (or, as the case may be, would have become) due and payable, as mentioned in subsection (7D) below.”
- (3) In subsection (7D) (meaning of references to the date on which corporation tax became payable) after “(7A),” insert “(7AA),”.
- (4) In subsection (7E) (power conferred by section 59E of TMA 1970 not to include power to change the meaning of references to the date on which corporation tax became payable) after “(7A),” insert “(7AA)”.

FA 1998

- 107 Schedule 18 to FA 1998 (company tax returns, assessments and related matters) is amended in accordance with paragraphs 108 to 122.

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- 108 In paragraph 61(1)(c) (consequential claims etc arising out of certain Revenue amendments or assessments), in the words in brackets, after “relief” insert “ or group relief for carried-forward losses ”.
- 109 In the heading of Part 8 (claims for group relief) at the end insert “ and group relief for carried-forward losses ”.
- 110 For paragraph 66 (introduction to Part 8) substitute—
- “66 (1) This Part of this Schedule applies to—
- (a) claims for group relief under Part 5 of the Corporation Tax Act 2010, and
 - (b) claims for group relief for carried-forward losses under Part 5A of that Act.
- (2) In this Part of this Schedule (except where otherwise indicated)—
- (a) references to “relief” are to either of those forms of relief, and
 - (b) references to “a claim” are to a claim for either of those forms of relief.”
- 111 In paragraph 67 (claim to be included in company tax return) omit “for group relief”.
- 112 (1) Paragraph 68 (content of claims) is amended as follows.
- (2) In sub-paragraph (1), in the words before paragraph (a), omit “for group relief”.
- (3) After sub-paragraph (4) insert—
- “5) A claim for group relief for carried-forward losses made under section 188CB of the Corporation Tax Act 2010 must also state whether or not there is a company mentioned in sub-paragraph (6) that was not resident in the United Kingdom in either or both of the following periods—
- (a) the accounting period of the surrendering company to which the claim relates,
 - (b) the corresponding accounting period of the claimant company.
- (6) Those companies are the claimant company, the surrendering company and any other company by reference to which—
- (a) the claimant company and the surrendering company are members of the same group,
 - (b) consortium condition 1 in section 188CF or consortium condition 2 in section 188CG of the Corporation Tax Act 2010 is satisfied in the case of the claimant company and the surrendering company.
- (7) A claim for group relief for carried forward-losses made under section 188CC of the Corporation Tax Act 2010 must also state whether or not there is a company mentioned in sub-paragraph (8) that was not resident in the United Kingdom in any or all of the following periods—
- (a) the specified loss-making period of the surrendering company,
 - (b) the accounting period of the surrendering company to which the surrender relates,
 - (c) the accounting period of the claimant company that corresponds with the period mentioned in paragraph (b).
- (8) Those companies are the claimant company, the surrendering company and any other company by reference to which consortium condition 3 in

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- section 188CH or consortium condition 4 in section 188CI is satisfied in the case of the claimant company and the surrendering company.”
- 113 (1) Paragraph 69 (claims for more or less than the amount available for surrender) is amended as follows.
- (2) In subsection (1) omit “for group relief”.
- (3) In subsection (3), in the first step, after “Part 5” insert “ or (as the case may be) Part 5A ”.
- 114 (1) Paragraph 70 (consent to surrender) is amended as follows.
- (2) For sub-paragraph (1) substitute—
- “(1) In accordance with Requirement 1 in section 130(2), 135(2), 188CB(3) or (as the case may be) 188CC(3) of the Corporation Tax Act 2010, a claim requires the consent of the surrendering company.”
- (3) In sub-paragraph (4) omit “for group relief”.
- (4) In sub-paragraph (6)—
- (a) after “means” insert “—
- (a)”,
- (b) at the end insert—
- “,
- (b) a claim for group relief for carried-forward losses under section 188CB of that Act based on consortium condition 1 or 2 (see Requirement 3 in that section), and
- (c) a claim for group relief for carried-forward losses under section 188CC of that Act based on consortium condition 3 or 4 (see Requirement 3 in that section).”
- 115 In Paragraph 71 (notice of consent) after sub-paragraph (1) insert—
- “(1A) Notice of consent given in respect of a claim for carried-forward losses made under section 188CC of the Corporation Tax Act 2010 must also state which accounting period of the surrendering company is the specified loss-making period.
- Otherwise the notice is ineffective.”
- 116 After paragraph 71 insert—
- “Notice of consent: additional requirements where claim is for group relief for carried-forward losses*
- 71A(1) Where notice of consent by the surrendering company is given in respect of a claim for carried-forward losses, the notice must comply with the additional requirements in this paragraph.
- Otherwise the notice is ineffective.
- (2) The notice must identify the particular losses and other amounts carried forward to the surrender period that are to be treated as surrendered in satisfaction of the claim.

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- (3) The notice must identify a loss or other amount by specifying—
 - (a) the provision of the Corporation Tax Act 2009 or the Corporation Tax Act 2010 under which it was carried forward to the surrender period, and
 - (b) in a case where the surrendering company is owned by a consortium, the accounting period of the surrendering company to which the loss or other amount is attributable.
- (4) Section 153 of the Corporation Tax Act 2010 (companies owned by consortiums) applies for the purposes of this paragraph.”
- 117 (1) Paragraph 72 (notice of consent requiring amendment of return) is amended as follows.
 - (2) For sub-paragraph (1) substitute—
 - “(1) Where notice of consent by the surrendering company relates to a loss or other amount in respect of which corporation tax relief has been given to the company for any accounting period, the company must at the same time amend its company tax return for that accounting period so as to reflect the notice of consent.”
 - (3) Omit sub-paragraph (2).
 - (4) In sub-paragraph (3) omit “or (2)”.
 - (5) In sub-paragraph (4) omit “or (2)”.
- 118 (1) Paragraph 73 (withdrawal or amendment of claim) is amended as follows.
 - (2) In sub-paragraph (1) omit “for group relief”.
 - (3) In sub-paragraph (2) omit “for group relief”.
- 119 (1) Paragraph 74 (time limit for claims) is amended as follows.
 - (2) In sub-paragraph (1), in the words before paragraph (a), omit “for group relief”.
 - (3) In sub-paragraph (2) omit “for group relief”.
 - (4) In sub-paragraph (3) omit “for group relief”.
 - (5) In sub-paragraph (4) omit “for group relief” in both places those words occur.
- 120 (1) Paragraph 75A (assessment on other claimant companies) is amended as follows.
 - (2) In sub-paragraph (2) omit “group”.
 - (3) In sub-paragraph (6) omit “for group relief”.
- 121 (1) Paragraph 76 (assessment to recover excessive relief) is amended as follows.
 - (2) In the italic heading omit “group”.
 - (3) In sub-paragraph (1) omit “group”.
- 122 (1) Paragraph 77 (joint amended returns) is amended as follows.
 - (2) In sub-paragraph (1)—
 - (a) in paragraph (a) omit “for group relief”, and

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(b) in paragraph (b) omit “group” in the second and third places that word occurs.

(3) In sub-paragraph (3), in paragraph (a), omit “for group relief”.

CAA 2001

123 CAA 2001 is amended as follows.

124 (1) Section 212Q (restrictions on capital allowance buying when there are postponed allowances) is amended as follows.

(2) In subsection (4) after “37,” insert “ 45A, ”.

(3) In subsection (6)—

(a) after “may not be set off” insert “ by a company (“the claimant company”) ”,

(b) after “CTA 2010” insert “ or group relief for carried forward losses in accordance with Part 5A of CTA 2010 ”, and

(c) omit “by a company (“the claimant company”)”.

125 In section 138 (deferment of balancing charge arising when there is a disposal event in respect of a ship: limit on amount of deferral) in subsection (2)(b) after “45” insert “ , 45A or 45B ”.

^{F1}126

Textual Amendments

F1 Sch. 4 para. 126 repealed (with effect in accordance with s. 33(5) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), s. 33(2)(c)(xiii)(a)

Energy Act 2004

127 In section 27 of the Energy Act 2004 (tax exemption for NDA activities) in subsection (1)(b) for the words from “relieved” to the end substitute “—

(i) relieved under section 37, 45, 45A, 45B or 45F of the Corporation Tax Act 2010 (relief for trading losses),

(ii) surrendered under Part 5 of that Act (group relief), or

(iii) surrendered under Part 5A of that Act (group relief for carried-forward losses).”

CTA 2009

128 CTA 2009 is amended as follows.

129 In section 39(3) (losses of mines, quarries and other concerns)—

(a) omit “and”, and

(b) after “(group relief)” insert “ and Part 5A of that Act (group relief for carried forward losses) ”.

130 (1) Section 364 (group relief claims involving impaired or released consortium debts) is amended as follows.

(2) In subsection (4) at the end insert “, and

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“group relief” means—

- (a) group relief under Part 5 of CTA 2010 (see section 97(2) of that Act), and
- (b) group relief for carried-forward losses under Part 5A of CTA 2010 (see section 188AA(4) of that Act).”

- (3) In subsection (5) for “or 144” substitute “ , 144 or 188DH ”.
- 131 In section 371 (group relief claims involving impaired or released consortium debts: interpretation) for the definition of “group relief” substitute—
 - ““group relief” has the meaning given by section 364(4).”.
- 132 In section 387 (treatment of deficit on basic life assurance and general annuity business: introduction) in subsection (1) for “Chapter 16” substitute “ Chapters 16 and 16A ”.
- 133 (1) Section 1048 (treatment of deemed trading loss under section 1045) is amended as follows.
 - (2) In subsection (1) at the end insert “ (“the deemed loss-making period”) ”.
 - (3) In subsection (3)—
 - (a) before paragraph (a) insert—
 - “(za) the deemed loss-making period begins before 1 April 2017”,
 - (b) in paragraph (a) for “the accounting period” substitute “ the deemed loss-making period ”.
 - (4) After subsection (4) insert—
 - “(4A) Subsection (4B) applies if—
 - (a) the deemed loss-making period begins on or after 1 April 2017,
 - (b) the company—
 - (i) begins to carry on a trade in the deemed loss-making period which it continues to carry on in the following accounting period, or
 - (ii) begins to carry on a trade in an accounting period after the deemed-loss making period, and
 - (c) the trade is derived from the research and development in relation to which the relief mentioned in subsection (1) was obtained.
 - (4B) In that case, so far as—
 - (a) the company has not obtained relief in respect of the trading loss under any other provision, and
 - (b) the loss has not been surrendered under Part 5 of CTA 2010 (group relief) (surrender of relief to group or consortium members),
 the trading loss is to be treated as if it were a loss of that trade brought forward under the relevant provision (see subsection (4C)) to the relevant period (see subsection (4D)).
 - (4C) In subsection (4B) “the relevant provision” is—
 - (a) section 45A(4) of CTA 2010 if—
 - (i) the trade is not a ring fence trade within the meaning of Part 8 of CTA 2010 (see section 277 of that Act), and

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- (ii) relief under section 37 of CTA 2010 would not be unavailable by reason of section 44 of that Act for a loss (assuming there was one) made in the trade in the relevant period (see subsection (4D), and
 - (b) section 45B(2) of CTA 2010 if either of the conditions in paragraph (a) is not met.
- (4D) In subsection (4B) and (4C) “the relevant period” means—
- (a) in a case where the company began the trade in the deemed loss-making period and continued to carry on the trade in the following accounting period, that following accounting period, and
 - (b) in a case where the company began the trade in an accounting period after the deemed loss-making period, the accounting period in which the company began the trade.”
- (5) In subsection (5) for “Subsection (4) is” substitute “ Subsections (4) and (4B) are ”.
- 134 In section 1056 (amount of trading loss which is “unrelieved”)—
- (a) in subsection (2)(c) after “Part 5” insert “ or Part 5A ”, and
 - (b) in subsection (3)(a) after “45” insert “ , 45A or 45B ”.
- 135 In section 1062(2) (restriction on losses carried forward where R&D tax credit claimed)—
- (a) for “section 45” substitute “ sections 45, 45A and 45B ”, and
 - (b) omit “trading” in the second place that word occurs.
- 136 In section 1116 (meaning of “the actual reduction in tax liability”) in subsection (4) after “Part 5” insert “ or Part 5A ”.
- 137 In section 1153 (amount of loss which is “unrelieved”)—
- (a) in subsection (1)(c) after “Part 5” insert “ or Part 5A ”, and
 - (b) in subsection (2)(a) after “45” insert “ , 45A, 45B ”.
- 138 In section 1158(2) (restriction on losses carried forward where land remediation tax credit claimed)—
- (a) for “section 45” substitute “ sections 45, 45A and 45B ”, and
 - (b) omit “trading” in the second place that word occurs.
- 139 In section 1201 (film tax credit claimable if company has surrenderable loss) in subsection (2B)(b) after “45” insert “ or 45B ”.
- 140 In section 1216CH (television tax credit claimable if company has surrenderable loss) in subsection (4)(b) after “45” insert “ or 45B ”.
- 141 In section 1217CH (video game tax credit claimable if company has surrenderable loss) in subsection (4)(b) after “45” insert “ or 45B ”.
- 142 In section 1217KA (theatre tax credits: amount of surrenderable loss) in subsection (3)(b) after “45” insert “ or 45B ”.
- 143 In section 1217RH (orchestra tax credits: amount of surrenderable loss) in subsection (3)(b) after “45” insert “ or 45B ”.
- 144 In section 1223 (carry forward expenses of management and other amounts), in subsection (1)(b), after sub-paragraph (i) (as inserted by paragraph 6(2)(b)) insert—
- “(ii) section 269ZD of CTA 2010 (restrictions on deductions from total profits) has effect for the accounting period, or

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(iii)”.

CTA 2010

- 145 CTA 2010 is amended as follows.
- 146 (1) Section 1 (overview of Act) is amended as follows.
- (2) In subsection (2) (list of reliefs provided by Parts 4 to 7) after paragraph (f) insert—
“ (fa) group relief for carried-forward losses (see Part 5A),”
- (3) After subsection (2) insert—
“(2A) Part 7ZA contains provision restricting the amount of certain deductions which may be made in calculating the profits of a company on which corporation tax is chargeable.”
- 147 (1) Section 17 (interpretation of Chapter 4 of Part 2) is amended as follows.
- (2) In subsection (2) (meaning of “carried-back amount”)—
- (a) after paragraph (a) insert—
“(aa) an amount carried back under section 45F (relief for terminal trade losses),” and
- (b) in paragraph (c) after “459(1)(b)” insert “ or 463B(1)(b) ”.
- (3) In subsection (3) (meaning of “carried-forward amount”)—
- (a) in paragraph (a) after “forward of” insert “ pre-1 April 2017 ”,
- (b) after paragraph (a) insert—
“(aa) an amount carried forward under section 45A (carry forward of post 1-April 2017 trade loss against total profits),
(ab) an amount carried forward under section 45B (carry forward of post-1 April 2017 trade loss against subsequent trade profits),” and
- (c) in paragraph (i) after “457(3)” insert “ , 463G(6) or 463H(4) ”.
- 148 (1) Section 46 (use of trade-related interest and dividends if insufficient trade profits) is amended as follows.
- (2) For subsection (1) substitute—
“(1) This section applies if in an accounting period a company carrying on a trade makes a loss in the trade and either—
- (a) relief for the loss could be given in a later accounting period under section 45(4)(b) or 45B(4) but for the fact that there are no profits of the trade of the later accounting period, or
- (b) the amount of relief for the loss that could be given in a later accounting period under section 45(4)(b) or 45B(4) is limited by reason of the amount of profits of the trade of the later accounting period.”
- (3) In subsection (2) at the beginning insert “ For the purposes of section 45 and 45B, ”.
- 149 In section 47 (registered societies), in subsection (1), for “section 45” substitute “ sections 45 and 45B ”.

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- 150 In section 53 (leasing contracts and company reconstructions), in subsection (1)(e), for “or 45” substitute “, 45, 45A or 45B”.
- 151 In section 54 (non-UK resident company: receipts of interest, dividends or royalties), in subsection (2), for “or 45” substitute “, 45, 45A or 45B”.
- 152 (1) Section 56 (restriction on reliefs for limited partners) is amended as follows.
- (2) In subsection (2)—
- (a) in paragraph (a) after “37” insert “ or 45A ”,
 - (b) omit “or” at the end of paragraph (a), and
 - (c) after paragraph (b) insert “, or
(c) under Part 5A (group relief for carried-forward losses)”.
- (3) In subsection (4)—
- (a) after “37” insert “ or 45A ”, and
 - (b) after “5” insert “ or 5A ”.
- 153 (1) Section 59 (restriction on relief for members of LLPs) is amended as follows.
- (2) In subsection (2)—
- (a) in paragraph (a) after “37” insert “ or 45A ”,
 - (b) omit “or” at the end of paragraph (a), and
 - (c) after paragraph (b) insert “, or
(c) under Part 5A (group relief for carried-forward losses)”.
- (3) In subsection (4)—
- (a) after “37” insert “ or 45A ”, and
 - (b) after “5” insert “ or 5A ”.
- 154 (1) Section 61 (unrelieved losses of member of LLP brought forward) is amended as follows.
- (2) In subsection (1), in the words before paragraph (a), for “This section” substitute “ Subsection (2) ”.
- (3) After subsection (2) insert—
- “(2A) Subsection (2B) applies if—
- (a) a company (“the member company”) carries on a trade as a member of an LLP at a time during an accounting period (“the current period”), and
 - (b) as a result of section 59, relief under section 45A or Part 5A (group relief for carried forward losses) has not been given for an amount of loss made in the trade by the member company as a member of the LLP in a previous accounting period.
- (2B) For the purposes of determining the relief under section 45A or Part 5A to be given to any company, the amount of loss is treated as having been made by the member company in the current period so far as it is not excluded by subsection (3) or (4).”
- (4) In subsection (3)—
- (a) after “37” insert “ or 45A ”, and
 - (b) after “Part 5” insert “ or Part 5A ”.

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- 155 (1) Chapter 4 of Part 4 (property losses) is amended as follows.
- (2) In section 65 (UK furnished holiday lettings business treated as trade) for subsection (4A) substitute—
- “(4A) Chapter 2 applies as if the following were omitted—
- (a) sections 37 to 44,
 - (b) the words “beginning before 1 April 2017” in section 45(1),
 - (c) sections 45A to 45H, and
 - (d) sections 48 to 54.
- (4B) Any deduction made under section 45(4)(b) from the profits of the trade treated as carried on under this section is to be ignored for the purposes of section 269ZB (restriction on deductions from trading profits).”
- (3) In section 67A (EEA furnished holiday lettings business treated as trade) for subsection (5) substitute—
- “(5) Chapter 2 applies as if the following were omitted—
- (a) sections 37 to 44,
 - (b) the words “beginning before 1 April 2017” in section 45(1),
 - (c) sections 45A to 45H, and
 - (d) sections 48 to 54.
- (5A) Any deduction made under section 45(4)(b) from the profits of the trade treated as carried on under this section is to be ignored for the purposes of section 269ZB (restriction on deductions from trading profits).”
- 156 (1) Section 95 (write-off of government investment: meaning of “carry forward losses”) is amended as follows.
- (2) In subsection (1), in Type 1, after “45,” insert “ 45A, 45B, ”.
- (3) In subsection (2) after “(group relief)” insert “ or Part 5A (group relief for carried forward losses) ”.
- 157 In section 99 (surrendering of losses and other amounts) in subsection (1)(c) after “16” insert “ or 16A ”.
- 158 In section 104 (meaning of “non-trading loss on intangible fixed assets” for purposes of section 99(1)(g)), for subsection (2) substitute—
- “(2) But it does not include a loss treated as a non-trading loss on intangible fixed assets for the surrender period as a result of section 753(3) of CTA 2009.”
- 159 In section 137 (giving of group relief: deduction from total profits) in subsection (5) (list of deductions to be made after group relief is given)—
- (a) omit “and” at the end of paragraph (b),
 - (b) in paragraph (c) for “or 459” substitute “ , 459 or 463B ”, and
 - (c) after paragraph (c) insert “, and
 - (d) under section 188CK (giving of group relief for carried-forward losses: deductions from total profits)”.
- 160 In section 189(2) (relief for qualifying charitable donations) at the end insert “ and group relief for carried-forward losses ”.

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- 161 In section 269DA (surcharge on banking companies) in subsection (2) (calculation of “surcharge profits”)—
- (a) in the formula, after “NBGR+” insert “ NBGRCF+ ”, and
 - (b) after the definition of “NBGR” insert—

““NBGRCF” is the amount (if any) of non-banking group relief for carried-forward losses that is given in determining those taxable total profits (see section 269DBA);”.

- 162 After section 269DB insert—

“269DBA Meaning of “non-banking group relief for carried-forward losses”

- (1) In section 269DA(2) “non-banking group relief for carried-forward losses” means group relief for carried-forward losses that relates to losses or other amounts that the surrendering company has for a surrender period in relation to which it is not a banking company.
 - (2) In this section “surrendering company” and “surrender period” have the same meaning as in Part 5A (see section 188FD).”
- 163 (1) Section 269DC (surcharge on banking companies: meaning of “non-banking or pre-2016 loss relief) is amended as follows.
- (2) In subsection (3)(b)—
 - (a) after “45” insert “ , 45A or 45B ”, and
 - (b) omit “trade” in the second place that word occurs.
 - (3) In subsection (4)(b)—
 - (a) after “457” insert “ , 463G or 463H ”, and
 - (b) omit “non-trading”.
 - (4) Omit subsection (5).
- 164 In section 385 (sales of lessors: no carry back of loss against the income) in subsection (2) after “periods)” insert “ or section 45F (relief for terminal trade losses) ”.
- 165 In section 398D (sales of lessors: restrictions on use of losses etc) after subsection (2) insert—

“(2A) Group relief for carried-forward losses is not to be given under Part 5A against so much of the total profits of A as are attributable to the carrying on of the relevant activity.”
- 166 In section 427 (sales of lessors: no carry back of loss against the income) in subsection (2) after “periods)” insert “ or section 45F (relief for terminal trade losses) ”.
- 167 (1) Chapter 5 of Part 9 (sales of lessors: anti-avoidance provisions) is amended as follows.
- (2) In section 432 (introduction to section 433)—
 - (a) in subsection (1), in the words before paragraph (a), for “Section 433 applies” substitute “ Sections 433 and 433A apply ”, and
 - (b) in subsection (2) after “that section” insert “ and section 433A ”.

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- (3) In section 433 (restrictions on relief for expenses treated as incurred under Chapter 3 or 4)—
- (a) in subsection (3)—
 - (i) in paragraph (a) after “of” insert “ pre-1 April 2017 ”,
 - (ii) after that paragraph insert—
 - “(ab) section 45B (carry forward of post-1 April 2017 trade loss against subsequent trade profits),”
 - (b) in subsection (5) after “profits” insert “ or section 45A (carry forward of trade loss against total profits) ”, and
 - (c) in subsection (6)—
 - (i) after “set off” insert “—
 - (a)”,
 - and
 - (ii) at the end insert “, or
 - (b) by way of group relief for carried-forward losses in accordance with Chapter 2 of Part 5A (surrender of company's carried forward losses)”.
- (4) After section 433 insert—

“433A Restrictions not applying to the restricted loss amount

- (1) Any deduction made under section 45 or 45B in respect of the restricted loss amount is to be ignored for the purposes of the restriction in section 269ZB (restriction on sum of deductions from trading profits).
 - (2) Any deduction made under section 62 or 63 in respect of the restricted loss amount is to be ignored for the purposes of the restriction in section 269ZD (restriction on sum of deductions from total profits).”
- 168 In section 599 (real estate investment trusts: calculation of profits) after subsection (8) insert—
- “(9) No account is to be taken of Part 7ZA of this Act (restrictions on obtaining certain deductions in respect of carried-forward losses).”
- 169 In section 601 (availability of group reliefs to a group UK REIT) in subsection (2)—
- (a) omit “and” at the end of paragraph (f), and
 - (b) after paragraph (g) insert “, and
 - (h) Part 5A of this Act (group relief for carried-forward losses)”.
- 170 In section 705E (shell companies: restriction on relief for non-trading loss on intangible fixed assets), in subsection (3)(b), for “debit of” substitute “ loss on intangible fixed assets for ”.
- 171 In section 705F(2) (shell companies: apportionment of amounts), in column 1 of the table—
- (a) in row 4, after “457(1)” insert “ , 463G or 463H ”,
 - (b) in row 4, omit “basic rule for deficits.”,
 - (c) in row 5, omit from “, but excluding” to the end, and
 - (d) in row 6, omit from “and treated” to the end.

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F2 172

Textual Amendments

F2 Sch. 4 para. 172 omitted (with effect in accordance with Sch. 10 para. 32 of the amending Act) by virtue of Finance Act 2019 (c. 1), **Sch. 10 para. 31(2)**

- 173 (1) Section 888 (restrictions on leasing partnership losses) is amended as follows.
- (2) In subsection (3) after “37” insert “ or 45A ”.
- (3) In subsection (4)—
- (a) after “set off” insert “—
 (a)”,
 and
 - (b) at the end insert “, or
 (b) by way of group relief for carried-forward losses in accordance with Chapter 2 of Part 5A (surrender of company's carried-forward losses etc)”.
- (4) In subsection (6) in the definition of “relevant loss relief provision”—
- (a) in paragraph (a) after “of” insert “ pre-1 April 2017 ”, and
 - (b) after that paragraph insert—
 “(ab) section 45B (carry forward of post-1 April 2017 trade loss against subsequent trade profits)”.
- 174 (1) Schedule 4 (index of defined expressions) is amended as follows.
- (2) At the appropriate places insert—

“the claimant company (in Part 5A)	section 188FD”
“the claim period (in Part 5A)	section 188FD”
“company (in Part 5A)	section 188FD”
““group relief for carried-forward losses”	section 188AA(4)”
“holding company (in Part 5A)	section 188FC(2)”
“member of a consortium (in Part 5A)	section 153(2) (applied by section 188FB)”
“member of the same group of companies (in Part 5A)	section 152 (applied by section 188FB)”
“owned by a consortium (in Part 5A)	section 153(1) and (3) (applied by section 188FB)”

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“profits (in Part 5A)	section 188FD”
““the specified loss-making period” (in Part 5A)	section 188FD”
“75% subsidiary (in Part 5A)	section 151 (applied by section 188FB)”
“the surrenderable amounts (in Part 5A)	section 188FD”
“the surrendering company (in Part 5A)	section 188FD”
“the surrender period (in Part 5A)	section 188FD”
“trade (in Part 5A)	section 188FD”
“trading company (in Part 5A)	section 188FC(1)”

(3) In the entry for “75% subsidiary (except in Part 5)” after “Part 5” insert “ and Part 5A ”.

TIOPA 2010

- 175 TIOPA 2010 is amended as follows.
- 176 In section 54 (double taxation relief by way of credit: non-trading debits on loan relationships) in subsection (7)—
- (a) in paragraph (b) of the definition of “carry-back claim”, after “459(1)(b)” insert “ or 463B(1)(b) ”,
 - (b) in paragraph (b) of the definition of “carry-forward provision”, after “457(1)” insert “ , 463G(5) or 463H(4) ”, and
 - (c) in paragraph (b) of the definition of “current-year provision or claim”, after “459(1)(a)” insert “ or 463B(1)(a) ”.
- 177 In section 55 (double taxation relief by way of credit: current year's non-trading deficits on loan relationships)—
- (a) in subsection (4)(b), after “459(1)(a)” insert “ or 463B(1)(a) ”, and
 - (b) in subsection (5), for “or 459(1)(a)” substitute “ , 459(1)(a) or 463B(1)(a) ”.
- 178 In section 156(1) (meaning of “losses” in Part 4)—
- (a) in paragraph (e) after “Chapter 16” insert “ or Chapter 16A ”,
 - (b) omit “or” at the end of paragraph (f), and
 - (c) after paragraph (g) insert “, or
 - (h) Part 5A of CTA 2010 (group relief for carried-forward losses).”
- 179 In section 3711F (determining the profits of a CFC's qualifying loan relationship), in paragraph (b) of step 5, after “16” insert “ or Chapter 16A ”.
- 180 After section 371SK insert—

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“371SKA Restrictions on certain deductions: deductions allowances

- (1) This section applies for the purposes of—
- (a) applying Part 7ZA of CTA 2010 (restrictions on obtaining certain deductions), and
 - (b) applying any provision of Part 7ZA of CTA 2010 for the purposes of Part 7A of that Act (restrictions on obtaining certain deductions: banking companies).
- (2) Assume that each of the following is nil—
- (a) the CFC's deductions allowance for the relevant accounting period,
 - (b) the CFC's trading profits deductions allowance for the relevant accounting period, and
 - (c) the CFC's non-trading profits deductions allowance for the relevant accounting period.
- (3) But if section 269ZX of CTA 2010 (increase of deductions allowance where provision for onerous lease reversed) applies in relation to the relevant accounting period, the reference in subsection (2) to “nil” is to be read as a reference to an amount equal to the increase provided for by subsection (3) of that section.”

- 181 In subsection (2)(a) of section 371SL (group relief etc)—
- (a) after “(group relief)” insert “ or Part 5A of that Act (group relief for carried-forward losses) ”, and
 - (b) after “by way of group relief” insert “ or group relief for carried-forward losses ”.

F (No. 3) A 2010

- 182 (1) In paragraph 10 of Schedule 9 to F(No.3)A 2010 (interest), the new Part A1 to be inserted into Schedule 54 to FA 2009 is amended as follows.
- (2) In paragraph A1 (interest on tax repaid as a result of carrying back a non-trading deficit on company's loan relationships)—
- (a) in sub-paragraph (1)(c) for “or 459(1)(b)” substitute “ , 459(1)(b) or 463B(1)(b) ”, and
 - (b) in sub-paragraph (2) for “or 459(1)(b)” substitute “ , 459(1)(b) or 463B(1)(b) ”.
- (3) After paragraph A2 insert—
- “A2A1) This paragraph applies where—
- (a) a company has profits arising in an accounting period (“the earlier period”),
 - (b) the company ceases to carry on a trade in a later accounting period (“the later period”),
 - (c) on a claim under section 45F of CTA 2010 (terminal losses), the whole or any part of a loss incurred in the trade has been set off for the purposes of corporation tax against the profits of the earlier period,

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- (d) the earlier period does not fall wholly within the period of 12 months immediately preceding the later period, and
 - (e) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that period.
- (2) So much of the repayment mentioned in sub-paragraph (1)(e) as falls to be made as a result of the claim under section 45F does not carry repayment interest.
- (3) But sub-paragraph (2) does not apply (and, accordingly, the amount mentioned in that sub-paragraph carries repayment interest) after the expiry of 9 months from the end of the later period.”
- (4) In paragraph A3 (interest on tax repaid as a result of a claim under section 77 of TIOPA 2010) in sub-paragraph (4) after “A4” insert “ or A5 ”.
- (5) After paragraph A4 insert—
- “A5 (1) This paragraph applies where—
- (a) a company has profits arising in an accounting period (“the middle period”),
 - (b) the company ceases to carry on a trade in a later accounting period (“the later period”),
 - (c) on a claim under section 45F of CTA 2010 (terminal losses), the whole or any part of a loss incurred in the trade has been set off for the purposes of corporation tax against the profits of the middle period,
 - (d) the middle period does not fall wholly within the period of 12 months immediately preceding the later period,
 - (e) as a result of the claim under section 45F, an excess or increased excess arises in the middle period as described in section 72 of TIOPA 2010 (amounts of unrelieved foreign tax),
 - (f) on a claim under section 77 of that Act, credit for the whole or any part of the excess is allowed against corporation tax in respect of an accounting period before the middle period (“the earlier period”) and,
 - (g) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that period.
- (2) So much of the repayment mentioned in sub-paragraph (1)(g) as falls to be made as a result of the claim under section 77 does not carry repayment interest.
- (3) But sub-paragraph (2) does not apply (and, accordingly, the amount mentioned in that sub-paragraph carries repayment interest) after the expiry of 9 months from the end of the later period.”

FA 2012

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- 184 In section 78 (meaning of expressions used in section 76), in subsection (5), for the words from “means” to the end substitute “means any of the following—
- (a) a BLAGAB trade loss of the company for the accounting period in question, so far as relief is given for the loss under—
 - (i) section 37 of CTA 2010 (relief for trade losses against total income), as applied by section 123, or
 - (ii) Chapter 4 of Part 5 of that Act (group relief), as applied by section 125;
 - (b) an amount deducted under section 124B (relief for excess carried forward post-1 April BLAGAB trade losses) from the company's total profits of the accounting period in question;
 - (c) an amount of a BLAGAB trade loss of the company relieved under Chapter 3 of Part 5A of CTA 2010 (group relief for carried-forward losses) if the surrender period (see section 188BB(7)) to which the claim relates is the accounting period in question.”
- 185 In section 93 (minimum profits test), in subsection (2), in the words after paragraph (b), for “and 124” substitute “ , 124, 124A and 124C ”.
- 186 In section 104 (meaning of “the adjusted amount”)—
- (a) in subsection (3), after “124” insert “ , 124A or 124C ”;
 - (b) in subsection (4), for “that section” substitute “ any of those sections ”;
 - (c) in subsection (5)(a), for “or no relief is available under that section,” substitute “ , 124A or 124C or no relief is available under those sections, ”.
- 187 In section 125 (group relief), at the end insert—
- “(4) For provision about the application of Part 5A of CTA 2010 (group relief for carried-forward losses) in relation to BLAGAB trade losses see subsections (3) to (5) of section 188BB of that Act.”
- 188 (1) Section 126 (restrictions in respect of non-trading deficit) is amended as follows.
- (2) After subsection (1) insert—
- “(1A) A loss falls within subsection (1B) so far as it—
- (a) would (apart from that subsection) be available for relief under section 124B (excess carried forward post-1 April 2017 losses: relief against total profits), and
 - (b) arose in an accounting period for which the insurance company has a relevant non-trading deficit.
- (1B) A loss (or amount of a loss) falling within this subsection is available for relief under section 124B only so far as it exceeds the amount of that relevant non-trading deficit.
- (1C) A loss falls within subsection (1D) so far as it—
- (a) is an amount which a company (“the surrendering company”) may surrender by virtue of section 188BB(4) (surrender of carried-forward BLAGAB trade losses), and
 - (b) arose in an accounting period for which the surrendering company has a relevant non-trading deficit.

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(1D) A loss (or amount of a loss) falling within this subsection is available for relief under Chapter 3 of Part 5A of CTA 2010 (claims for group relief) only so far as it exceeds the amount of that relevant non-trading deficit.

(1E) For the purposes of subsections (1A) and (1C) it is to be assumed (where relevant) that in previous accounting periods losses which arose earlier have been utilised before losses which arose later.”

(3) In subsection (2)—

- (a) for “The reference” substitute “ In this section references ”;
- (b) for “is a reference” substitute “ are ”.

189 In section 127 (no relief against policyholders' share of I-E profit), in subsection (3)

(a) before paragraph (a) insert—

“(za) relief under section 124B (relief of excess carried-forward BLAGAB trade losses against total profits),”;

(b) after paragraph (c) insert—

“(ca) relief under Chapter 3 of Part 5A of CTA 2010 (group relief for carried-forward losses),”.

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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\(a\)](#)