

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

## SCHEDULES

### SCHEDULE 4

#### RELIEF FOR CARRIED-FORWARD LOSSES

#### PART 7

##### OIL CONTRACTORS

- 56 Part 8ZA of CTA 2010 (oil contractors) is amended as follows.
- 57 (1) Section 356NE (losses) is amended as follows.
- (2) The existing text becomes subsection (1) of that section.
- (3) In subsection (1)—
- (a) after “the contractor” insert “ (or an amount of such a loss) ”;
- (b) after “profits” insert “ or section 45A (carry forward of post-1 April 2017 trade loss against total profits) ”;
- (c) after “the loss” insert “ (or amount) ”.
- (4) After subsection (1) insert—
- “(2) Relief in respect of a loss incurred by the contractor may not be given against the contractor's ring fence profits under any provision listed in subsection (3).
- (3) The provisions are—
- (a) section 753 of CTA 2009 (non-trading losses on intangible fixed assets);
- (b) section 62(3) (relief for losses made in UK property business);
- (c) section 303C(3) (excess carried forward non-decommissioning losses of ring fence trade: relief against total profits).”
- 58 (1) Section 356NF (group relief) is amended as follows.
- (2) In the heading, at the end insert “ and group relief for carried-forward losses ”.
- (3) After subsection (3) insert—
- “(3A) On a claim under Chapter 3 of Part 5A, group relief for carried-forward losses may not be allowed against the claimant company's contractor's ring fence profits, except so far as the claim relates to losses incurred by the surrendering company that arose from oil contractor activities.”
- (4) For subsection (4) substitute—
- “(4) In this section—

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

“claimant company” is to be read in accordance with Part 5 (see section 188) or Part 5A (see sections 188CB(2) and 188CC(2)), as the case requires;

“surrendering company” is to be read in accordance with Part 5 (see section 188) or Part 5A (see section 188BB(7)), as the case requires.”

59 After section 356NG insert—

*“Restriction on obtaining certain deductions*

**356NH Restriction on deductions from contractor's ring fence profits**

- (1) For the purpose of determining the contractor's taxable total profits for an accounting period, the sum of any relevant deductions from total profits made by the contractor for the accounting period may not exceed the relevant Part 8ZA maximum.
- (2) In this section “relevant deduction from total profits” means—
  - (a) any deduction of a loss (or an amount of a loss) under section 45(4)
  - (b) (carry forward of pre-1 April 2017 loss against subsequent profits), so far as the loss arises from oil contractor activities,
  - (b) any deduction of a loss (or an amount of a loss) under section 45A (carry forward of post-1 April 2017 trade loss against total profits), so far as the amount is set against the contractor's ring fence profits, and
  - (c) any deduction of a loss or other amount under Part 5A (group relief for carried-forward losses), so far as the amount in question is set against the contractor's ring fence profits.
- (3) In this section “the relevant Part 8ZA maximum” means the sum of—
  - (a) 50% of the contractor's ring fence profits for the accounting period, and
  - (b) the amount of the contractor's ring fence profits deductions allowance for the period.

**356NI Deductions allowances where company has contractor's ring fence profits**

- (1) This section applies if a company (“C”) has contractor's ring fence profits for an accounting period.
- (2) Subsections (3) to (6) set out how to determine, for the accounting period—
  - (a) C's deductions allowance for the purposes of Part 7ZA (restrictions on obtaining certain deductions), and
  - (b) C's contractor's ring fence profits deductions allowance.
- (3) Determine in accordance with Part 7ZA what C's deductions allowance for the period would be in the absence of this section (and call this “amount A”).
- (4) Determine C's contractor's ring fence profits deductions allowance for the period in accordance with subsection (5).

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

- (5) C's "contractor's ring fence profits deductions allowance" for an accounting period—
  - (a) is so much of amount A as is specified in C's company tax return as its contractor's ring fence profits deductions allowance for the period, and
  - (b) accordingly, is nil if no amount is so specified.
- (6) Subsection (7) applies if a relevant reversal credit is brought into account in calculating C's contractor's ring fence profits for the accounting period.

In this subsection the reference to bringing into account a relevant reversal credit is to be interpreted in accordance with section 269ZY.
- (7) C's contractor's ring fence profits deductions allowance for the accounting period (as determined in accordance with subsection (5)) is to be treated for all purposes as increased by—
  - (a) the amount of the relevant reversal credit, or
  - (b) if lower, the amount of the contractor's ring fence profits for the accounting period.
- (8) C's deductions allowance for the period for the purposes of Part 7ZA is to be taken to be an amount equal to amount A less the amount of C's ring fence profits deductions allowance for the period.

### **356NJ Modification of provisions restricting the use of losses**

- (1) The following deductions are to be treated as not being relevant deductions for the purposes of section 269ZD (restrictions on deductions from total profits)—
  - (a) the deduction of a loss (or an amount of a loss) under section 45A (carry forward of post- 1 April 2017 trade loss against total profits), so far as the amount is set against the company's contractor's ring fence profits for the accounting period;
  - (b) the deduction under Part 5A (group relief for carried-forward losses) of a loss or other amount, so far as the amount is set against the company's contractor's ring fence profits for the accounting period.
- (2) A deduction under section 45(4)(b) (carry forward of pre-1 April 2017 trade loss against subsequent profits) of a loss arising from oil contractor activities is to be ignored for the purposes of section 269ZB of CTA 2010 (restriction on deductions from trading profits)."

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**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\(a\)](#)