

Qualification for entitlement to group relief. CTA76 s108 412.—(1) Notwithstanding that at any time a company (in this subsection referred to as “the subsidiary company”) is a 75 per cent subsidiary or a 90 per cent subsidiary, within the meaning of section 9, of another company (in this section referred to as “the parent company”), it shall not be treated at that time as such a subsidiary for the purposes of group relief unless additionally at that time—

(a) the parent company is beneficially entitled to not less than 75 per cent or, as the case may be, 90 per cent of any profits available for distribution to equity holders of the subsidiary company, and

(b) the parent company would be beneficially entitled to not less than 75 per cent or, as the case may be, 90 per cent of any assets of the subsidiary company available for distribution to its equity holders on a winding up.

(2) Subject to subsection (3), for the purposes of group relief a member's share in a consortium, in relation to an accounting period of the surrendering company, shall be whichever is the lowest in that period of the following percentages—

(a) the percentage of the ordinary share capital of the surrendering company beneficially owned by that member,

(b) the percentage to which that member is beneficially entitled of any profits available for distribution to equity holders of the surrendering company, and

(c) the percentage to which that member would be beneficially entitled of any assets of the surrendering company available for distribution to its equity holders on a winding up,

and, if any of those percentages have fluctuated in that accounting period, the average percentage over the period shall be taken for the purposes of this subsection.

(3) In any case where the surrendering company is a subsidiary of a holding company owned by a consortium, for references in subsection (2) to the surrendering company there shall be substituted references to the holding company.