HMRC - CTM20120 - ACT: Set-Off Against CT On Profits: Amount Available

The ACT available for set-off would normally have been the amount of ACT paid and not repaid in respect of franked payments made or FID paid in that accounting period. The following provisions might however, have affected that amount.

Claims under ICTA88/S242 & ICTA88/S243

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Surplus ACT brought forward from previous accounting periods

This surplus was treated as if it were ACT paid in respect of distributions made in the accounting period under consideration (CTM20250). ACT could not be carried forward in so far as it related to distributions made before a change in ownership of the company and within three years of that change there had been a major change in the nature or conduct of its trade or business ([

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Surplus ACT carried back from later accounting periods

This surplus ACT was treated as if it were ACT paid in respect of distributions made in the accounting period under consideration (](https://www.gov.uk/hmrc-internal-manuals/company-taxation-manual/ctm20170) onwards). ACT could not be carried back in so far as it related to distributions made after a change of ownership of the company and within three years of that change there had been a major change in the nature or conduct of the company’s trade or business (CTM20300 onwards).

ACT repaid or set-off under the FID provisions

If ACT is dealt with under the FID provisions it could not also be dealt with under the other provisions (CTM21450).

ACT surrendered

A surrender of ACT could not be made unless the recipient company was a subsidiary of the surrendering company throughout the accounting period of surrender (CTM81205). ACT surrendered could only be used by the recipient company for accounting periods during the whole of which it remained a subsidiary of the surrendering company (unless both companies remained subsidiaries of a third company (CTM81215). ACT surrendered was not then available for set-off by the surrendering company. Surrendered ACT could not be carried forward through a change of ownership by the recipient company if there had been a change in its ownership (whether or not along with that of the surrendering company) and within three years of that change there had been a major change in the nature or conduct of the trade or business of the surrendering company (CTM81225).

Set-off against chargeable gains

ACT paid in respect of distributions made by a company before a change in its ownership could not be set-off against liability on a chargeable gain accruing from the disposal of an asset acquired under TCGA92/S171 after that change from a company in its new group (CTM81230).

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