HMRC - CTM80145 - Groups: Claims For Relief

CTA10/S130, CTA10/S137

A company can claim group relief (CTM80105) in respect of the loss or other amount of one or more surrendering companies. And a company may surrender its loss to one or more claimant companies. There is guidance on claims procedure under CTSA at [## CTA10/S130, CTA10/S137

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Group relief is given by making a deduction from the claimant company’s total profits of the claim period (CTA10/S137(1)). Total profits are calculated in accordance with CTM80400.

A group relief claim need not be for the full amount of the loss, etc (CTA10/S137(2)).

Relief cannot be given more than once in respect of any amount, whether by giving group relief more than once or by giving group relief and any other relief (CTA10/S137(7)).

No payment to the surrendering company is required.

A payment that the claimant company in fact makes to the surrendering company up to the amount of the loss, etc, surrendered is ignored. It is not taken into account in computing the profits or losses of either company, and is not treated as a charge on income or a distribution. The payment must be made under an agreement between the claimant company and the surrendering company. The maximum payment that can be treated in this way is the amount of the trading loss, etc, not the amount of relief in terms of tax.

Previous page

Next page