HMRC - CTM80570 - Items Eligible For Relief: Potential Restriction On Surrender Of Trading Losses

CTA10/S147

CTA10/S147 applies where the company owned by the consortium surrenders losses, etc, including a trading loss

Under consortium condition 1 to members of the consortium

Under consortium condition 2 to companies in the same group as a member of the consortium.

The same types of losses, etc, (CTM80110) that can be surrendered on a group claim to group relief can also be surrendered on a consortium claim, however there is a restriction on the amount of trade losses that can be surrendered by a company owned by a consortium.

Trade losses can only be surrendered by a company owned by a consortium to the extent that they could not be claimed by that company under CTA10/S37 against its own total profits for that period (CTM04500 onwards), regardless of whether such a set off is claimed or not.

See the example at CTM80696.

CTA10/S148 may also restrict the amount available for surrender by companies owned by a consortium where that company is also a member of a group relief group. If S147(3) and S148 both apply S147(4) provides that S147(3) is applied before S148.

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