HMRC - CTM80580 - Group And Consortium Claims Both Possible: Surrendering Company Is Both Owned By A Consortium And A Member Of A Group

CTA10/S148

CTA10/S148 applies where the company owned by the consortium is also a member of a group, and surrenders losses, etc,

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.

In some circumstances it is possible that the losses, etc, of a company that is both a company owned by a consortium and a member of a group could be surrendered as group relief to a group company as well as consortium relief under a consortium claim.

CTA10/S148(4) restricts relief in these circumstances. The legislation works by limiting the amount available for surrender under a consortium claim to the amount that exceeds the ‘group’s potential relief’. Note that it is not necessary for any group claim to be actually made; the potential for such a claim or claims is sufficient to trigger the restriction.

The amount of the ‘group’s potential relief’ is (CTA10/S148(5)):

the maximum amount that could be surrender by the company owned by the consortium to companies in a group relationship with it if all claims were made,

after taking account of any group claims that have actually been made in respect of the losses, etc, of group companies other than the company owned by the consortium.

This restriction should be carried out before applying the ownership proportion to the company’s surrenderable amounts under CTA10/S143(2).

See the note at the end of the example at CTM80675.

CTA10/S147 may also restrict the amount available for surrender by companies owned by a consortium, if that company has trading losses. If S147 and S148 both apply S147(4) provides that S147 is applied before S148.

Where the claimant is both a company owned by the consortium and a member of a group see CTM80585.

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