HMRC - CTM80585 - Group And Consortium Claims Both Possible: Claimant Company Is Both Owned By A Consortium And A Member Of A Group

CTA10/S149

CTA10/S149 applies where the company owned by the consortium is also a member of a group, and claims losses, etc,

Under consortium condition 1 from members of the consortium, or

Under consortium condition 3 from companies in the same group as a member of the consortium.

As well as the restriction on the amount of losses etc. that a company owned by a consortium can surrender as consortium relief (CTM80580), there is also a restriction on the amount of consortium relief that a company owned by a consortium can claim if it could also potentially claim group relief under a group relationship.

The legislation works works by:

limiting the total profits of the company owned by the consortium against which consortium relief can be claimed (CTA10/S149(4)),

to the amount that exceeds any group relief that it could potentially claim from group companies (CTA10/S149(5)),

after taking into account of any group claims actually made by other companies in the same group as the company owned by the consortium (CTA10/S149(6)).

This restriction should be carried out before applying the ownership proportion to the company’s total profits under CTA10/S144(2).

See the examples at CTM80680 and CTM80695.

Note also that:

where a company claims consortium or group relief, and

it also has other amounts eligible for relief, such as trading losses available for claim under CTA10/S37,

which are not reliefs from a later accounting period,

these potential or actual reliefs must also be taken account of in working out its total profits against which a consortium claim can be made. This is because those total profits are calculated net of current period reliefs under CTA10/S137 (CTM80400).

Where the surrendering company is both a company owned by a consortium and a member of a group see CTM80580.

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