HMRC - CTM81505 - Groups: Group Relief: Surrendering Company Not UK Resident: Companies Affected

ICTA88/S402 (2A)

Who can claim

The extension to group relief can be claimed by:

a UK resident company of which the surrendering company is a 75% subsidiary; or

any other UK resident 75% subsidiary of such a UK parent company.

Where the surrendering company is a 75% subsidiary of more than one UK resident company, then a loss may be claimed under the new rules by any of those companies (or by any other UK resident 75% subsidiary of those companies).

The definition of a 75% subsidiary is the same as that used for the existing group relief rules which is in ICTA88/S838 (1). There is detailed guidance at CTM80510.

Who can surrender

A foreign 75% subsidiary of a qualifying claimant company with a foreign tax loss (CTM81520) where that subsidiary is:

is either resident in the European Economic Area (EEA); or

has incurred the loss in a permanent establishment in the EEA.

Losses attributable to a UK permanent establishment of the surrendering company are excluded from the new rules. The existing group relief rules continue to apply to such losses, (CTM80310).

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