HMRC - CTM81550 - Groups: Group Relief: Surrendering Company Not UK Resident: Amount Of The Loss: The Unallowable Loss Rule

ICTA88/S403G

The extended loss relief rules identify a specific category of loss for which UK group relief will now be available.

A UK resident company may be eligible to claim as group relief losses arising from a 75% subsidiary resident in another European Economic Area (EEA). And those losses may have met the four conditions at CTM81510:

the equivalence condition,

the EEA tax loss condition,

the qualifying loss condition, and

the precedence condition.

However there is potential for a group to make arrangements, which it would not otherwise have made, in order to obtain group relief in the UK. The unallowable loss rules therefore applied, from 20 February 2006, to deny relief for losses, which have arisen insuch circumstances, (CTM81555).

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