HMRC - OT16270 - Losses - Unrelievable Field Losses - Associated Party Claims

If the participator is a company, a UFL may be claimed by a company associated with the participator company which incurred the loss. For UFL purposes ‘association’ is defined in the same terms used in OTA75\S5(7) and OTA75\S5(8) for abortive exploration expenditure and in OTA75\S5A(4) for exploration and appraisal expenditure, see OT13810. The requirement is that throughout the part of the ‘relevant period’ in which both companies were in existence, one was the ultimate 51% parent of the other or both had the same ultimate 51% parent. The relevant period runs

from the beginning of the chargeable period in which the loss accrued until the end of that period or, if later,

until the end of the first chargeable period in which the claimant company is a participator in the field against the profits of which relief is sought.

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