HMRC - OT26088 - Relevant Percentage For Calculating The EES

ICTA88\Sch19B\para4

The EES is calculated as a percentage of the qualifying E&A (pre-commencement) expenditure or (post-commencement) losses at the relevant time. The rate is 6% a year. The rate is proportionally reduced if the accounting period to which the claim relates is less than a year (ICTA88\Sch19B\para9(4) & ICTA88\Sch19B\para16(2).

EES claim for accounting period that straddles 1 January 2006

A qualifying company can claim pre- or post-commencement EES for the deemed accounting period that begins before 1 January 2006 and ends on 31 December 2005.

For pre-commencement supplement, the rate is reduced in the normal way by reference to the length of the deemed accounting period.

If the post-commencement period is the “straddling period” (OT26085) then the post-commencement supplement is not reduced by reference to the length of the accounting period {#}for a deemed accounting period ending before 01 January 2006 (ICTA88\Sch19B\para16(2A)).

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