HMRC - OT26155 - Supplement In Respect Of A Post-Commencement Period

CTA2010\S321

A qualifying company (see OT26108) which incurs a ring fence loss in a post-commencement period can claim RFES under the rules for post-commencement supplement. A ring fence loss is defined in CTA2010\S323 (see OT26160).

Post-commencement RFES is calculated at the relevant percentage of the reference amount for each post-commencement period. At introduction the rate of RFES (the ‘relevant percentage’) was 6% per annum. The rate increased to 10% for accounting periods beginning on or after 1 January 2012.

The reference amount is the amount in the RFES ‘ring fence pool’ (see OT26170) after making adjustments for utilised ring fence losses and unrelieved group ring fence profits. If the accounting period is less than 12 months long, the RFES rate is reduced proportionately (CTA2010\S322).

Making claims

Claims for post-commencement RFES are made separately for each accounting period. Effect is given to a claim by treating the amount of post-commencement RFES as if it were a loss incurred in carrying on the ring fence trade in that period, and which is set off against ring fence profits of succeeding periods under CTA2010\S45.

The time limits for making a claim are the same limits as apply for making group relief claims (as set out in FA98\Sch18\para74) broadly 12 months after the filing date for the claimant company’s return.

A company does not have to claim, or claim the full amount of RFES, for a period.

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