

SCHEDULES

SCHEDULE 5

NON-UK RESIDENT COMPANIES CARRYING ON UK PROPERTY BUSINESSES ETC

PART 3

COMMENCEMENT AND TRANSITIONAL PROVISIONS

Transitional provisions

- 37 (1) This paragraph applies if—
- (a) in a tax year ending before the commencement date a company makes a loss in a UK property business that is within the charge to income tax,
 - (b) relief for the purposes of income tax is not given to the company for an amount of the loss (“the unrelieved amount”), and
 - (c) on the commencement date the UK property business ceases to be within the charge to income tax and comes within the charge to corporation tax as a result of section 5(3A) of CTA 2009.
- (2) Relief for the purposes of corporation tax is given to the company under this paragraph for the unrelieved amount.
- (3) For this purpose—
- (a) the unrelieved amount is carried forward to post-commencement accounting periods of the company (for so long as the company continues to carry on the UK property business), and
 - (b) the profits of any such accounting period that are mentioned in subparagraph (4) are to be reduced by the unrelieved amount (so far as that amount cannot be used under this paragraph to reduce the profits of an earlier period).
- (4) The profits are—
- (a) profits of the UK property business, and
 - (b) profits arising from loan relationships or derivative contracts that the company is a party to for the purposes of that business.
- (5) In this paragraph “post-commencement accounting period” means an accounting period ending after the commencement date.