

SCHEDULES

SCHEDULE 10

CORPORATION TAX RELIEF FOR CARRIED-FORWARD LOSSES

Terminal losses: straddling periods

21 For section 45G of CTA 2010 substitute—

“45G Section 45F: accounting period falling partly within 3 year period

- (1) This section applies if—
 - (a) a company ceases to carry on a trade in an accounting period (“the terminal period”), and
 - (b) a previous accounting period of the company (“the straddling period”) falls partly within the period of 3 years ending with the end of the terminal period.
- (2) The sum of any deductions under section 45F from the profits of the trade of the straddling period is not to exceed an amount equal to the overlapping proportion of those profits (calculated before making those deductions).
- (3) The sum of—
 - (a) any deductions under section 45F from the profits of the trade of the straddling period, and
 - (b) any deductions under that section from the total profits of the straddling period in respect of losses made in the trade,must not exceed an amount equal to the overlapping proportion of the total profits of the straddling period (calculated before making those deductions).
- (4) The overlapping proportion is the same as the proportion that the part of the straddling period falling within the period of 3 years mentioned in subsection (1)(b) bears to the whole of the straddling period.”