

Loss/relief	BLAGAB I - E	BLAGAB trade	Non-BLAGAB trade	Long Term Business Fixed Capital (LTBFC) and other non-trading business	Short-term business (e.g. general insurance)
<b>Management expenses</b>	Adjusted BLAGAB management expenses are set against I - E income and net chargeable gains of the period. Excess expenses can only be carried forward and treated as BLAGAB expenses of the next period.	<b>X</b>	<b>X</b>	<p>Exceptionally the general rule at CT09/S1219 could apply to expenses from the management of grandfathered assets in LTBFC or other non-trading activity.</p> <p>Expenses are set against income from the non-trading business in the period.</p> <p>Excess expenses can be:</p> <ul style="list-style-type: none"> <li>• Set off against total profits of the period (excluding BLAGAB policyholder share of I-E profits)</li> <li>• surrendered as group relief;</li> <li>• carried forward and set against</li> </ul>	<b>X</b>

				LTBFC/non-trading income of the next period.	
<b>Trade losses</b>	<b>X</b>	<p>A BLAGAB trade loss (LAM07310) of the period can be:</p> <ul style="list-style-type: none"> <li>• set sideways against shareholder total profits of the period (i.e. non-BLAGAB trade profit, - profit arising in long-term business fixed capital and any general insurance profit);</li> <li>• set against shareholder total profits for the previous 12 months;</li> <li>• surrendered as group relief;</li> <li>• carried forward and set against any BLAGAB trade profit of the next period.</li> </ul> <p>A BLAGAB trade loss utilised under any of the first three options above requires two adjustments to be made:</p> <ul style="list-style-type: none"> <li>• firstly the loss must be reduced by any BLAGAB non-trading deficit – see <a href="#">S126 FA2012</a>, then;</li> <li>• the BLAGAB management expenses of the period</li> </ul>	<p>Non-BLAGAB trade losses (LAM07300) are treated as “normal” trade losses and can be:</p> <ul style="list-style-type: none"> <li>• set against shareholder total profits* of the period, then any remaining losses can be set against shareholder total profits* of the previous 12 months;</li> <li>• surrendered as group relief;</li> <li>• carried forward and set against future non-BLAGAB profits.</li> </ul> <p>*Shareholder total profits include:</p> <ul style="list-style-type: none"> <li>- the shareholders’ share of the I - E profit;</li> <li>- non-BLAGAB trade profit;</li> <li>- profit arising from long-term business fixed capital;</li> <li>- profit from any short-term business.</li> </ul>	<b>X</b>	<p>Losses from any short-term business such as general insurance are treated as “normal” trade losses and can be:</p> <ul style="list-style-type: none"> <li>• set against shareholder total profits* of the period;</li> <li>• any remaining loss can be set against shareholder total profits of the previous 12 months;</li> <li>• surrendered as group relief;</li> <li>• carried forward and set against future profits of the short-term trade.</li> </ul> <p>*Shareholder total profits include:</p> <ul style="list-style-type: none"> <li>- the shareholders’ share of the I - E profit;</li> <li>- non-BLAGAB trade profit;</li> </ul>

		must be reduced (at step 4 of S76 FA2012) by the quantum of loss utilised.			- profit arising from long-term business fixed capital; - profit from any short-term business.
<b>Allowable (capital) losses</b>	<p>BLAGAB allowable (capital) losses (LAM03200) can be utilised as follows:</p> <ul style="list-style-type: none"> <li>• set against BLAGAB chargeable gains of the period (including deemed gains (LAM03300));</li> <li>• carried forward and set against BLAGAB chargeable gains of the next period;</li> <li>• the shareholder share of the net BLAGAB allowable loss can be set against non-BLAGAB gains (LAM03420).</li> </ul>	<b>X</b>	<b>X</b>	<p>Allowable losses not arising from BLAGAB will be set off against any chargeable gains not arising from BLAGAB. Any excess allowable losses can be</p> <ul style="list-style-type: none"> <li>• Set off against any shareholders share of BLAGAB gains, or</li> <li>• carried forward to the next period and set against chargeable gains arising not arising from BLAGAB in future periods or shareholder share of any BLAGAB gains in future periods.</li> </ul>	<b>X</b>
<b>Allowable loss arising from deemed disposal</b>	A net allowable loss can be carried back (in full or in part) and set against net chargeable gains arising from the deemed	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>

<p><b>under S212 TCGA (LAM03340)</b></p>	<p>disposal in the previous two accounting periods.</p> <p>Any net allowable loss remaining is spread over 7 years. 1/7<sup>th</sup> of the net allowable loss is treated as an allowable loss of the accounting period with a further 1/7<sup>th</sup> treated as an allowable loss at the end of each succeeding accounting period.</p>				
<p><b>Non-trading loan relationship deficit (loan relationships and derivatives)</b></p>	<p>Any BLAGAB NTLR deficit (LAM03060) is to be used firstly against BLAGAB income and gains of the period.</p> <p>Any remaining deficit can be carried back for up to 3 accounting periods ending within the 12 months immediately before the deficit period.</p> <p>Any deficit still remaining is carried forward to the next period and treated as a deemed BLAGAB management expenses of that period.</p>	<p>X</p>	<p>X</p>	<p>A NTLR deficit arising in LTBFC is treated as a “normal” non-trading deficit under CTA09/S456. The deficit can be:</p> <ul style="list-style-type: none"> <li>• set against shareholder total profits of the period;</li> <li>• carried back (in full or in part) and set against any NTLR profit (other than BLAGAB NTLR profit) of the previous 12 months;</li> </ul>	<p>X</p>

				<ul style="list-style-type: none"> <li>• surrendered as group relief;</li> <li>• carried forward and set against non-trading profits for future accounting periods.</li> </ul>	
<b>Non-trading deficit (Intangible assets)</b>	<p>Any non-trading deficit (LAM03070) arising from an intangible asset is treated as a deemed management expenses of the period.</p> <p>When there is no I –E profit the shareholders’ share of any BLAGAB non-trading deficit for the period can be group relieved under CTA10/S99.</p>	X	X	<p>Any non-trading deficit arising in LTBFC is treated as a “normal” non-trading deficit under CTA09/S456. The deficit can be:</p> <ul style="list-style-type: none"> <li>• set against shareholder total profits of the period;</li> <li>• carried back (in full or in part) and set against any non-trading profits of the previous 12 months;</li> <li>• surrendered as group relief;</li> <li>• carried forward and set against non-trading profits for future accounting periods CTA09/S457.</li> </ul>	X

<b>UK property business loss</b>	An overall net loss arising from BLAGAB property businesses (LAM03900) is treated as a deemed management expense of the period. When there is no I –E profit the shareholders’ share of any BLAGAB UK property business loss for the period can be group relieved under CTA10/S99	<b>X</b>	<b>X</b>	Any property income loss arising from property assets in LTbFC is set off under the rules in CTA10/S62 PIM4230	<b>X</b>
<b>Capital Allowances – investment assets</b>	Investment capital allowances can be deducted in the BLAGAB I - E computation. S545(3) CAA2001 denies relief for investment capital allowances in non-BLAGAB.	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>Capital Allowances – management assets</b>	Management capital allowances are brought into account at step 3 of S76 FA2012.	Management capital allowances can be deducted in the BLAGAB trade computation.	Management capital allowances can be deducted in the non-BLAGAB trade computation.	S18 & S253 CAA01 allow for capital allowances on plant & machinery used in managing the investment business.	The normal capital allowances rules apply to general insurance business. See GIM4030 and CTM02350.

Group relief offsets

<p><b>Group relief</b></p>	<p>The shareholders' share of the I-E profit can be relieved by group relief surrender by other group companies.</p> <p>The shareholder's share of amounts falling within CTA/210 (d)-(g) are not available to surrender as group relief when there is an I-E profit for the period.</p>	<p>X</p>	<p>The normal group relief rules apply to a claim against a non-BLAGAB trade profit.</p>	<p>The normal group relief rules apply to a claim against any profits arising in LTBFC.</p>	<p>The normal group relief rules apply to a claim against any short-term business profit.</p>
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