

Summary Table of Adjustments						
Act	Part	Topic	Arriving at taxable profit			
			Provisions broadly aligning tax with accounting	Affects generality of/many businesses	Could be affected by Schedular reform	Specialised contexts or sectors
CTA09	Part 3	Trading income				
CTA09	46	Profits of trade to be calculated in accordance with GAAP subject to any adjustment required by tax law. Origin s42 FA 1998 putting into statutory form the line of case-law beginning with Usher's Wiltshire Brewery Ltd v Bruce (1914) 6 TC 399.	y	y		
CTA09	54(1)(a)	No deduction for expenses not wholly and exclusively for trade purposes. Historical. S100 ITA 1842.		y	y	
CTA09	54(1)(b)	No deduction for a loss not connected with the trade. Historical. S100 ITA 1842.		y	y	
CTA09	53	No deduction for capital expenditure. Historical. Goes back to S100 ITA 1842.				
CTA09	59	No deduction for patent royalties. A royalty or other sum paid in respect of the use of a patent is paid under deduction of tax. Accordingly no such sum is deductible in computing trading profits. This provision goes back to at least ITA 1918 Rule 3(m) of the Rules relating to Schedule D.			y	
CTA09	60	No deduction for expenditure on "integral features". Repeats s33A(3) CAA 2001, introduced by FA 2008 as part of the package of Capital Allowances reforms in that year. New category, per Simon B3.345.		y		
CTA09	61	Pre-trading expenses. Limited allowance for expenditure which, had it been incurred in the course of trading, would have been allowable e.g. rent and rates of premises to be used for the purposes of the trade and employees' wages. Origin s39 FA 1980.	y		y	
CTA09	62 - 65	Deductions available to a trader who uses land in connection with the trade where the land is subject to a taxed lease. Originally s87 ICTA 1970 which had its origins in FA 1963 on the abolition of "old" Schedule A and the introduction of Schedule D Case VIII. Restrictions apply.		y		
CTA09	76	Redundancy payments and approved contractual payments; if conditions met, s77 to 79 apply - each section has a separate set of conditions to be met for a payment to be deductible (several restrictions apply). Partially reverses CIR v Anglo- Brewing Ltd (1925) 12 TC 803.			y	
CTA09	87	Expenses of research and development - deductible but exceptions apply.		y		
CTA09	93	Capital receipts to be excluded in computing the profits of a trade. Puts into statutory form the line of case-law beginning with Glenboig Union Fireclay Co Ltd v CIR (1922) 12 TC 427.		y		
CTA09	94	Where a deduction has been given for an expense giving rise to a trade debt, and that debt is later released, the debt is treated as a trading receipt. Origin s36 FA 1960. Reverses British Mexican Petroleum Co Ltd v Jackson (1932) 16TC 570 Accounting treatment at that time was that the amount released was taken to the balance sheet as a reserve.	y	y	y	
CTA09	95	Sums received by the transferee of a trade which arise from the transferor's carrying on of the trade are taxable as trading receipts of the transferee. Origin s33 FA 1960 and s18 and Sch 10 FA 1963. Enacted to remedy a defect in the legislation.	y	y	y	
CTA09	96	Reverse premium to be taxed as a trading receipt. Origin Sch 6 para 1 FA 1999. Blocking a loophole. Absent this legislation the receipt would be tax-free in the hands of the tenant but the payer- typically a developer- would get a Case I deduction.	y	y	y	
CTA09	101	If a deduction has been made in calculating the profits of a trade for a payment to a mutual concern for the purposes of its mutual business, then if certain conditions are met, money received is brought into account as a receipt; restrictions apply.				y
CTA09	103	Sums recovered under insurance policies etc. - brought into account but only up to the amount of the deduction.		y	y	

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CTA09	109 - 127	The herd basis rules - deductions available and restrictions apply (e.g. no deduction is allowed for the initial cost of the herd).				y
CTA09	136	When calculating the profits of a trade of dealing in land - if a receipt of the trade falls within one of the specified categories, the receipt is reduced by the relevant amount.				
CTA09	142	Deduction for site preparation expenditure where such expenditure is capital and has not been relieved by capital allowances.	y	y	y	
CTA09	145	Deduction for site restoration expenditure where such expenditure is capital and has not been relieved by capital allowances.	y	y	y	
CTA09	157 - 160	Changes in trading stock. Origin s37 and Sch 15 FA 2008. Overrides GAAP where there are changes to trading stock otherwise than by way of trade. Puts on a statutory basis the case-law "market value" rule where there are non-trade appropriations to or from stock in trade. Also makes explicit that where a transaction involving stock in trade is within the transfer-pricing regime that regime takes precedence over the "market value" rule.		y		
CTA09	180 - 187	Adjustments on a change in the basis on which the profits of a trade are calculated for CT purposes. Origin s64 and Sch 22 FA 2002. Specifies what adjustments are required for tax purposes when a business either has a change of accounting basis or changes the way in which tax adjustments are made to accounts profits. Provides a comprehensive set of rules for ensuring that in either of these circumstances profits and losses are neither counted more than once nor left out of account to any extent. Replaces the rules in s44 and Sch 6 FA 1998 which dealt only with a change of accounting basis.	y	y	y	
CTA09	188 - 189	Impose a charge on post-cessation receipts. Anti- avoidance originally in FA 1960.	y	y	y	
CTA09	196	Post-cessation receipts - no deduction is allowed if the loss, expense or debit arises directly or indirectly from the cessation itself, or if the amount has been allowed under any other provision of the Tax Acts.			y	
CTA09	Part 4	Property income.				
CTA09	213	The following provisions of Part 3 - tied premises, caravan sites, surplus business accommodation and payments for wayleaves - secure that amounts which would otherwise be brought into account in calculating the profits of the business are brought into account instead in calculating the profits of a trade.			y	
CTA09	215 - 247	Lease Premiums etc.: Provides for certain amounts (which would otherwise generally be amounts of a capital nature) to be brought into account as receipts in calculating the profits of a property business.		y		
CTA09	261	Adjustment on change of basis; s262 gives effect to positive and negative adjustments.	y	y	y	
CTA09	263	No deduction on certain expenditure on an integral feature.		y		
CTA09	269	Capital allowances and loss relief UK property business - in certain circumstances, this section requires separate calculations to be made of the profits of the furnished holiday lettings part and the other part. S269A mirrors this provision for overseas property business.			y	
CTA09	280	The charge to corporation tax on income applies to post-cessation receipts arising from a UK property business.	y	y	y	
CTA09	Parts 5 and 6	Profits arising from loan relationships.	y	y		y
CTA09	321A	Restriction on debits resulting from release of loans to participators etc.		y		
CTA09	Part 7	Profits arising from derivative contracts.	y	y		y
CTA09	Part 8	Gains in respect of intangible fixed assets.	y	y		

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CTA09	Part 9	Profits arising from disposals of know-how and sales of patent rights.	y			
CTA09	Part 9A	Company distributions.				
CTA09	931A - 931W	Treatment of company distributions. Origin s34 and Sch 14 FA 2009. These determine the scope of the corporation tax charge on income on both UK and foreign company distributions. The rules for distributions received by small companies are distinct from the rules for medium and large companies but in each case the result is that the great majority of distributions will be exempt from corporation tax. The Schedule contains anti-avoidance rules to prevent abuse of distribution exemption. The changes were part of the package of measures introduced as a result of the Government's review of the taxation of foreign profits.		y		
CTA09	Part 10	Miscellaneous income; this Part applies the charge to corporation tax on income to beneficiaries' income from estates in administration, income from the holding of an office, income treated as received from unauthorised unit trusts, income treated as arising from the sale or other realisation of dividend coupons in respect of foreign holdings, annual payments not otherwise charged to corporation tax, other income not otherwise charged to corporation tax.			y	y
CTA09	Part 11	Relief for particular employee share acquisition schemes.				y
CTA09	1000	Deduction for expenses incurred in setting up a QUEST. Provides relief for expenses which would otherwise be capital. Unlikely to be used now, as a QUEST is tax-advantageous only in very limited circumstances.	y		y	y
CTA09	Part 12	Other relief for employee share acquisitions.				y
CTA09	1013	Deduction when an employee acquires certain shares. Origin Sch 23 FA 2003. An adjustment to accounting profit. Ensures symmetry between the tax charge on the employee and tax relief for the employer.				y
CTA09	Part 13	Additional relief for expenditure on research and development.		y		
CTA09	Part 16	Companies with investment business.	y		y	
CTA09	Part 18	Unremittable income.				
CTA09	Part 19	General exemptions.				
CTA09	1286	No liability to corporation tax arises in respect of a sum paid by way of supplement under section 79 of VATA 1994 (VAT repayment supplements).		y		
CTA09	Part 20	General calculation rules.				
CTA10	189 - 217	Relief for qualifying charitable donations.	y	y		
CTA10	Part 14	Anti-avoidance provision - change in company ownership; losses/reliefs restricted if conditions met.				y
CTA10	Part 14A	Anti-avoidance provision - transfer of deductions; restricts the circumstances in which deductible amounts may be brought into account where there has been a qualifying change in relation to a company.			y	y
CTA09	1044	Enhanced deduction for expenditure on R&D incurred by SMEs. Origin Sch 20 para 1 FA 2000. Designed to encourage particular behaviour.		y		
CTA09	1219	In calculating the corporation tax to which a company with investment business is liable for an accounting period, expenses of management of the company's investment business which are referable to that period are allowed as a deduction from the company's total profits. Origin s75 ICTA as amended by s38 FA 2004.	y		y	

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CTA09	1288	Disallowance of remuneration unpaid 9 months after the end of the period of account. Adjustment to accounting profit. Anti-avoidance as part of the reform of Schedule E from the earnings basis to the receipts basis. Origin s43 FA 1989.		y		
CTA09	1298	Disallowance of business entertainment and gifts. Adjustment to accounting profit. See separate Papers about the origins of s15 FA 1965.		y		
CTA09	1301	In calculating a company's income from any source, no deduction is allowed for an annual payment which meets the conditions of the subsection.		y	y	
CTA09	1301B	Charitable donations may not be deducted in computing income from any source. Charitable donations generally would be disallowed in computing trading or property income by s54(1)(a)- Bourne & Hollingsworth Ltd v Ogden (1929) 14 TC 349. This is the counterpart to s189 CTA 2010.		y	y	
CTA09	1303	Penalties, interest and VAT surcharges are not deductible in calculating profits for any CT purpose. A statutory adjustment to accounting profit introduced as part of the review and reform of penalties generally introduced by FA 2007 and FA 2008. This gives statutory effect across the whole of corporation tax to the decision in CIR v Alexander von Glehn (1920) 12 TC 232.		y		
CTA09	1304	Crime related payments are not deductible in computing income from any source for CT purposes, or as an expense of management. A statutory adjustment to accounting profits originally aimed at payments contrary to The Prevention of Terrorism Act.		y		
CTA09	1305	No deduction for dividends or other distributions. Presumably GAAP would stop a deduction for dividends, but the prohibition is need in respect of "other distributions". An adjustment to the accounting profit.		y		
CTA10	940 - 953	Provision with respect to transfers of trade without a change of ownership.			y	
CTA10	954 - 957	Provision with respect to transfers of trade to obtain balancing allowances.			y	
TCSA92	8	Company's total profits to include chargeable gains.		y		
CAA01	7	If an allowance is made under any Part of this Act to a person in respect of capital expenditure, no allowance is to be made to him under any other Part in respect of that expenditure.		y		