

# Centrica Overseas Holdings Ltd (Appellant) v Commissioners for His Majesty's Revenue and Customs (Respondent)

Case ID: UKSC 2022/0183

## Case summary

### Issues

This case concerns s. 1219 of the Corporation Tax Act ("CTA") 2009 which enables a company with an investment business to deduct the expenses of management of that business in calculating its profits for the purpose of determining its liability to corporation tax. The first issue is what is the correct way to identify expenses of management of an investment business which are of "a capital nature" and therefore excluded from corporation tax deductions. The second issue is whether the disputed expenses in question in this case were "expenses of a capital nature".

### Facts

In July 2005, COHL acquired a Dutch company named Oxxio BV ("Oxxio"), which had four subsidiaries registered in the Netherlands. The Oxxio investment proved loss-making. Thus, in July 2009 management made an in-principle, strategic decision to sell Oxxio at a Centrica PLC board meeting. During the complex process of disposing of Oxxio, COHL incurred expenses for professional services from Deutsche Bank AG London, PwC and De Brauw, which totalled £2,529,697 (the "Disputed Expenditure"). The sale of Oxxio completed in March 2011.

COHL claimed relief for the Disputed Expenditure on its tax return for the accounting period ending 31 December 2011. However, HMRC denied the claim and issued a closure notice amending COHL's tax return. HMRC's reason for this was that the Disputed Expenditure was not deductible under s. 1219 CTA 2009.

COHL appealed the decision, but it was dismissed by the First-tier Tribunal ("FTT"). COHL then appealed to the Upper Tribunal ("UT"), which allowed the appeal. HMRC then appealed to the Court of Appeal ("CA"). The CA allowed HMRC's appeal. COHL now seek permission to appeal to the Supreme Court.

### Judgment appealed

[\[2022\] EWCA Civ 1520](#)

### Parties

#### Appellant(s)

Centrica Overseas Holdings Ltd

#### Respondent(s)

Commissioners for His Majesty's Revenue and Customs

### Appeal

### Justices

Lord Hodge, Lord Stephens, Lady Rose, Lord Richards, Lady Simler

**Hearing start date**

19 March 2024

**Hearing finish date**

19 March 2024

**Watch hearing**

19 March 2024 [Morning session](#) [Afternoon session](#)