

Chapter

Article 14 Deductions of deferred tax
assets that rely on future profitability for the
purposes of Article 36(1)(c) of Regulation
(EU) No 575/2013

(1) The deductions of deferred tax assets that rely on future profitability under Article 36(1)(c) of Regulation (EU) No 575/2013 shall be made according to paragraphs 2 and 3.

(2) The offsetting between deferred tax assets and associated deferred tax liabilities shall be done separately for each taxable entity. Associated deferred tax liabilities shall be limited to those that arise from the tax law of the same jurisdiction as the deferred tax assets. For the calculation of deferred tax assets and liabilities at consolidated level, a taxable entity includes any number of entities which are members of the same tax group, fiscal consolidation, fiscal unity or consolidated tax return under applicable law of the United Kingdom or of a third country.

(3) The amount of associated deferred tax liabilities which are eligible for offsetting deferred tax assets that rely on future profitability is equal to the difference between the amount in point (a) and the amount in point (b):

(a) the amount of deferred tax liabilities as recognised under the applicable accounting framework;

(b) the amount of associated deferred tax liabilities arising from intangible assets and from defined benefit pension fund assets.