



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XVIII

DOUBLE TAXATION RELIEF

CHAPTER II

RULES GOVERNING RELIEF BY WAY OF CREDIT

^{F1} Foreign dividends: onshore pooling and utilisation of eligible unrelieved foreign tax

[^{F1}806A Eligible unrelieved foreign tax on dividends: introductory.

- (1) This section applies where, in any accounting period of a company resident in the United Kingdom, an amount of eligible unrelieved foreign tax arises in respect of a dividend falling within subsection (2) below paid to the company.
- (2) The dividends that fall within this subsection are any dividends chargeable under Case V of Schedule D, other than—
 - (a) any dividend which is trading income for the purposes of section 393;
 - (b) any dividend which, in the circumstances described in paragraphs (a) and (b) of subsection (8) of section 393, would by virtue of that subsection fall to be treated as trading income for the purposes of subsection (1) of that section;
 - (c) in a case where section 801A applies, the dividend mentioned in subsection (1) (b) of that section;
 - (d) in a case where section 803 applies, the dividend mentioned in subsection (1) (b) of that section;
 - (e) any dividend the amount of which is, under section 811, treated as reduced.
- (3) For the purposes of this section—

Status: Point in time view as at 15/11/2004. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 806A is up to date with all changes known to be in force on or before 17 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) the cases where an amount of eligible unrelieved foreign tax arises in respect of a dividend falling within subsection (2) above are the cases set out in subsections (4) and (5) below; and
 - (b) the amounts of eligible unrelieved foreign tax which arise in any such case are those determined in accordance with section 806B.
- (4) Case A is where—
- (a) the amount of the credit for foreign tax which under any arrangements would, apart from section 797, be allowable against corporation tax in respect of the dividend,
exceeds
 - (b) the amount of the credit for foreign tax which under the arrangements is allowed against corporation tax in respect of the dividend.
- (5) Case B is where the amount of tax which, by virtue of any provision of any arrangements, falls to be taken into account as mentioned in section 799(1) in the case of the dividend (whether or not by virtue of section 801(2) or (3)) is less than it would be apart from the mixer cap.
- [^{F2}But if that is so in any case by reason only of the mixer cap restricting the amount of underlying tax that is treated as mentioned in subsection (2) or (3) of section 801 in the case of a dividend paid by a company resident in the United Kingdom, the case does not fall within Case B.]
- (6) In determining whether the circumstances are as set out in subsection (4) or (5) above, sections 806C and 806D shall be disregarded.]

Textual Amendments

- F1** Ss. 806A-806H, 806J and cross-heading inserted (with effect in accordance with Sch. 30 para. 21(2) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 21(1)**
- F2** Words in s. 806A(5) added (with effect in accordance with Sch. 27 para. 4(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 27 para. 4(2)**

Status:

Point in time view as at 15/11/2004. This version of this provision has been superseded.

Changes to legislation:

Income and Corporation Taxes Act 1988, Section 806A is up to date with all changes known to be in force on or before 17 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.