



# Income and Corporation Taxes Act 1988

## 1988 CHAPTER 1

### PART XVIII

#### DOUBLE TAXATION RELIEF

#### CHAPTER III

#### MISCELLANEOUS PROVISIONS

#### **811 Deduction for foreign tax where no credit allowable.**

<sup>M1</sup>(1) For the purposes of the Tax Acts, the amount of any income arising in any place outside the United Kingdom shall, subject to subsection (2) below, be treated as reduced by any sum which has been paid in respect of tax on that income in the place where the income has arisen (that is to say, tax payable under the law of a territory outside the United Kingdom).

(2) Subsection (1) above—

(a) shall not apply to income the tax on which is to be computed by reference to the amount of income received in the United Kingdom; <sup>F1</sup> . . .

(b) shall not affect section 278(3); <sup>F2</sup> . . . [<sup>F3</sup>and]

<sup>F2</sup>(c) . . . . .

[<sup>F4</sup>(d) shall not require any income to be treated as reduced by an amount of underlying tax which, by virtue of section 799(1B)(b), falls to be left out of account for the purposes of section 799;]

and this section has effect subject to section 795(2).

[<sup>F5</sup>(3) This section has effect for the purposes of corporation tax notwithstanding anything in section 80(5) of the Finance Act 1996 (matters to be brought into account in the case of loan relationships only under Chapter II of Part IV of that Act).]

*Status: Point in time view as at 11/05/2001. This version of this provision has been superseded.*

*Changes to legislation: Income and Corporation Taxes Act 1988, Section 811 is up to date with all changes known to be in force on or before 15 August 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)*

- [<sup>F6</sup>(4) Where the amount by which any income is treated under subsection (1) above as reduced is rendered excessive or insufficient by reason of any adjustment of the amount of any tax payable either—
- (a) in the United Kingdom, or
  - (b) under the law of any other territory,
- nothing in the Tax Acts limiting the time for the making of assessments or claims for relief shall apply to any assessment or claim to which the adjustment gives rise, being an assessment or claim made not later than six years from the time when all such assessments, adjustments and other determinations have been made, whether in the United Kingdom or elsewhere, as are material in determining whether any and if so what reduction under subsection (1) above falls to be treated as made.
- (5) Subject to subsection (7) below, where—
- (a) the amount of any income of a person is treated under subsection (1) above as reduced by any sum, and
  - (b) the amount of that reduction is subsequently rendered excessive by reason of an adjustment of the amount of any tax payable under the law of a territory outside the United Kingdom,
- that person shall give notice in writing to an officer of the Board that an adjustment has been made that has rendered the amount of the reduction excessive.
- (6) A notice under subsection (5) above must be given within one year from the time of the making of the adjustment.
- (7) Subsections (5) and (6) above do not apply where the adjustment is one whose consequences in relation to the reduction fall to be given effect to in accordance with regulations made under—
- (a) section 182(1) of the <sup>M2</sup>Finance Act 1993 (regulations relating to individual members of Lloyd’s); or
  - (b) section 229 of the <sup>M3</sup>Finance Act 1994 (regulations relating to corporate members of Lloyd’s).
- (8) A person who fails to comply with the requirements imposed on him by subsections (5) and (6) above in relation to any adjustment shall be liable to a penalty of an amount not exceeding the amount of the difference specified in subsection (9) below.
- (9) The difference is that between—
- (a) the amount of tax payable by the person in question for the relevant chargeable period, after giving effect to the reduction that ought to be made under subsection (1) above; and
  - (b) the amount that would have been the tax so payable after giving effect instead to a reduction under that subsection of the amount rendered excessive as mentioned in subsection (5)(b) above.
- (10) For the purposes of subsection (9) above “the relevant chargeable period” means the chargeable period as respects which the reduction was treated as made.]

#### **Textual Amendments**

- F1** Word preceding s. 811(2)(b) repealed (with effect in accordance with Sch. 27 para. 6(3) of the repealing Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 27 para. 6\(2\)\(a\)](#), [Sch. 33 Pt. 2\(8\)](#), Note

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- F2** S. 811(2)(c) and preceding word repealed (with effect as mentioned in s. 103(3)(4) of the amending Act) by 1993 c. 34, ss. 103(2)(g)(3)(4), 213, **Sch. 23 Pt. III(9)**
- F3** Word at the end of s. 811(2)(b) inserted (with effect in accordance with Sch. 27 para. 6(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 27 para. 6(2)(b)**
- F4** S. 811(2)(d) inserted (with effect in accordance with Sch. 27 para. 6(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 27 para. 6(2)(c)**
- F5** S. 811(3) inserted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 47** (with Sch. 15)
- F6** S. 811(4)-(10) inserted (with effect in accordance with Sch. 30 para. 27(3) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 27(2)**

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**Marginal Citations**

- M1** Source—1970 s.516; 1973 s.40(1); 1987 Sch.15 2(19)
- M2** 1993 c. 34.
- M3** 1994 c. 9.

**Status:**

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