



# Finance Act 1990

## 1990 CHAPTER 29

### PART II

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### GENERAL

#### *International*

#### **67 Dual resident companies: controlled foreign companies**

(1) In section 749 of the Taxes Act 1988, after subsection (4) there shall be inserted—

“(4A) For the purposes of this Chapter, any company which, though resident in the United Kingdom, is regarded for the purposes of any double taxation arrangements having effect by virtue of section 788 as resident in a territory outside the United Kingdom shall be treated as if it were resident outside the United Kingdom (and not resident in the United Kingdom).”

(2) In section 751(2) of that Act, after paragraph (b) there shall be inserted—

“(bb) the company becomes, or ceases to be, a company in relation to which section 749(4A) has effect; or”.

(3) In Schedule 25 to that Act—

- (a) paragraphs 2(1)(c) and 4(1)(c) shall be omitted,
- (b) after paragraph 2(1) there shall be inserted—

“(1A) A payment of dividend to a company shall not fall within sub-paragraph (1)(d) above unless it is taken into account in computing the company’s income for corporation tax.”, and

- (c) after paragraph 4(1) there shall be inserted—

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*Status: This is the original version (as it was originally enacted).*

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“(1A) A payment to a company shall not be a subsequent dividend within the meaning of sub-paragraph (1)(b) above unless it is taken into account in computing the company’s income for corporation tax.”

(4) Subsections (1) and (2) above shall apply on and after 20th March 1990 and subsection (3) above shall apply to dividends paid on or after that date.