



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 5

#### MISCELLANEOUS INCOME

#### [<sup>F1</sup>CHAPTER 2A

#### OFFSHORE RECEIPTS IN RESPECT OF INTANGIBLE PROPERTY

#### *Meaning of “control group” and “related person”*

#### [<sup>F1</sup>608U Meaning of “51% investment” and “25% investment”

- (1) A person (P) has a 51% investment in another person (C) if any of the following apply—
  - (a) P possesses or is entitled to acquire more than half of the voting power in C;
  - (b) in the event of a disposal of the whole of the equity in C, P would receive more than half of the proceeds;
  - (c) in the event that the income in respect of the equity in C were distributed among the equity holders in C, P would receive more than half of the amount so distributed;
  - (d) in the event of a winding-up of C or in any other circumstances, P would receive more than half of C's assets which would then be available for distribution among the equity holders in C in respect of the equity in C.
- (2) A person (P) has a 25% investment in another person (C) where any paragraph of subsection (1) would apply if in that paragraph for “more than half” there were substituted “at least a quarter”.

---

*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 608U. (See end of Document for details)*

---

- (3) Section 464(2) to (11) and section 465 of TIOPA 2010 apply for the purposes of subsections (1) and (2) of this section.
- (4) In the application of section 464(10) of TIOPA for the purposes of subsection (1), the reference to a “25% investment” is to be read as a “51% investment”.]

**Textual Amendments**

- F1** Pt. 5 Ch. 2A inserted (with effect in accordance with Sch. 3 para. 7 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [Sch. 3 para. 4](#) (with [Sch. 3 para. 8](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 608U.