



Finance Act 2005

2005 CHAPTER 7

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 9

INTERNATIONAL MATTERS

Annual payments and double taxation relief

91 Tax avoidance involving annual payments and double taxation relief

- (1) ICTA is amended as follows.
- (2) In section 125 (annual payments for non-taxable consideration) in subsection (2) (payments to which the section applies) for paragraph (b) substitute—
 - “(b) is made under a liability incurred for consideration in money or money’s worth all or any of which—
 - (i) consists of, or of the right to receive, a dividend, or
 - (ii) is not required to be brought into account in computing for the purposes of income tax or corporation tax the income of the person making the payment.”.
- (3) As from 2nd December 2004, the title of that section accordingly becomes “Annual payments for dividends or non-taxable consideration”.
- (4) Section 801 (dividends paid between related companies: relief for UK and third country taxes) is amended as follows.
- (5) In subsection (2) (case where overseas company has received a dividend from a third company) for “subject to subsections (4) to (4D)” substitute “subject to subsection (4)”.

Status: This is the original version (as it was originally enacted).

- (6) Subsections (4A) to (4D) (which relate to cases where the amount given by the formula in section 799(1) exceeds U in that formula) shall cease to have effect.
- (7) The amendment made by subsection (2) has effect in relation to any annual payment made on or after 2nd December 2004 (whether the contract or other arrangement is one made before, on or after that date).
- (8) The amendments made by subsections (4) to (6) have effect in relation to dividends paid on or after 2nd December 2004.