



Corporation Tax Act 2010

2010 CHAPTER 4

PART 23

COMPANY DISTRIBUTIONS

CHAPTER 4

SPECIAL RULES FOR DISTRIBUTIONS MADE BY CERTAIN COMPANIES

Companies carrying on a mutual business

1070 Companies carrying on a mutual business

- (1) Subsection (2) applies if a company carries on a business (“the mutual business”) of—
 - (a) mutual trading,
 - (b) mutual insurance, or
 - (c) other mutual business.
- (2) The provisions of the Corporation Tax Acts relating to distributions apply to relevant distributions made by the company only so far as they are made out of—
 - (a) profits of the company which are brought into charge to corporation tax, or
 - [^{F1}(b) income of the company consisting of exempt ABGH distributions.]This is subject to subsection (4).
- (3) In subsection (2) “relevant distributions” means distributions which—
 - (a) are made to persons participating in the mutual activities of the mutual business, and
 - (b) derive from those activities.
- (4) If a company carries on a mutual life assurance business, the provisions of the Corporation Tax Acts relating to distributions do not apply to distributions made by the company which—

Changes to legislation: Corporation Tax Act 2010, Section 1070 is up to date with all changes known to be in force on or before 20 June 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) View outstanding changes

- (a) are made to persons participating in the mutual activities of the business, and
- (b) derive from those activities.

(5) Subject to subsections (1) to (4), the fact that—

- (a) a distribution made by a company carrying on a mutual business is derived from the mutual activities of that business, and
- (b) the recipient is a company participating in those activities,

does not affect the character that the payment or other receipt has for the purposes of corporation tax or income tax in the hands of the recipient.

[^{F2}(5A) In subsection (2) “exempt ABGH distribution” means a distribution which—

- (a) is a distribution for the purposes of the Corporation Tax Acts only because it falls within paragraph A, B, G or H in section 1000(1), and
- (b) is exempt for the purposes of Part 9A of CTA 2009 (company distributions).]

(6) In subsection (2) “profits” means income and chargeable gains.

Textual Amendments

- F1** S. 1070(2)(b) substituted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by Finance Act 2016 (c. 24), **Sch. 1 para. 37(2)**
- F2** S. 1070(5A) inserted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by Finance Act 2016 (c. 24), **Sch. 1 para. 37(3)**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))