



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 2

#### DOUBLE TAXATION RELIEF

### CHAPTER 3

#### MISCELLANEOUS PROVISIONS

##### *Special rules for discretionary trusts*

#### **111 When payment to beneficiary treated as arising from foreign source**

- (1) Subsection (6) applies if each of conditions A to D is met.
- (2) Condition A is that a payment is made by trustees of a settlement.
- (3) Condition B is that income tax is treated under section 494 of ITA 2007 (treatment of discretionary payments by trustees) as having been paid in relation to the payment.
- (4) Condition C is that the income arising under the settlement includes taxed overseas income.
- (5) Condition D is that the trustees certify—
  - (a) that the payment is one made out of income consisting of, or including, taxed overseas income of an amount, and from a source, stated in the certificate, and
  - (b) that that amount of taxed overseas income arose to the trustees not earlier than 6 years before the end of the tax year in which the payment is made.

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*Status: This is the original version (as it was originally enacted).*

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- (6) The person to whom the payment is made may claim that the payment, up to the certified amount, is to be treated for the purposes of this Part as income received by the person—
- (a) from the certified source, and
  - (b) in the tax year in which the payment is made.
- (7) In this section “taxed overseas income”, in relation to a settlement, means income in respect of which the trustees are entitled to credit under this Part for tax under the law of a territory outside the United Kingdom.