



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 2

DOUBLE TAXATION RELIEF

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DOUBLE TAXATION RELIEF BY WAY OF CREDIT

Effect to be given to credit for foreign tax allowed against UK tax

20 Foreign tax includes tax spared because of international development relief

- (1) Subsections (2) and (4) apply if the arrangements are double taxation arrangements.
- (2) For the purposes of this Chapter, any amount within subsection (3) is to be treated as having been payable.
- (3) An amount is within this subsection if it is an amount of tax that would have been payable under the law of a territory outside the United Kingdom but for a relief—
 - (a) given under the law of that territory with a view to promoting industrial, commercial, scientific, educational or other development in a territory outside the United Kingdom, and
 - (b) about which provision is made in double taxation arrangements.
- (4) References in this Chapter—
 - (a) to tax payable or chargeable, or
 - (b) to tax not chargeable directly or by deduction,are to be read in accordance with subsection (2).

Status: This is the original version (as it was originally enacted).

- (5) Subsections (2) and (4) have effect subject to—
- (a) subsection (6), and
 - (b) sections 31(4) and 32(5) (income and gains not to be increased in calculations under section 31 or 32 by amounts treated by this section as having been payable).
- (6) If section 63(5) applies because conditions A and B in section 63 are met, relief is not given in accordance with section 63(5) (relief for certain tax underlying dividends paid between related companies) because of this section unless double taxation arrangements make express provision for the relief.
- (7) Subsection (6) does not affect the operation of section 17(2) (treatment, for purposes of unilateral relief, of dividend paid by foreign company that has received dividends from a company benefiting from tax-sparing relief).