



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

Taking account of tax underlying dividends that is not foreign tax

63 Non-UK company dividend paid to 10% investor: relief for UK and other tax

- (1) If condition A is met, and one of conditions B and C is met, subsection (5) applies for the purpose of allowing, under the arrangements, credit against corporation tax in respect of a dividend paid by a company resident outside the United Kingdom (“the overseas company”) to another company (“the recipient company”).
- (2) Condition A is that the recipient company—
 - (a) controls directly or indirectly, or
 - (b) is a subsidiary of a company which controls directly or indirectly, at least 10% of the voting power in the overseas company.
- (3) Condition B is that the recipient company is resident in the United Kingdom.
- (4) Condition C is that—
 - (a) the recipient company is resident outside the United Kingdom, but
 - (b) the dividend forms part of the profits of a permanent establishment of the recipient company in the United Kingdom.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 63. (See end of Document for details)

- (5) There is to be taken into account, as if it were tax payable under the law of the territory (“territory R”) in which the overseas company is resident—
- (a) any income tax or corporation tax payable by the overseas company in respect of its profits, and
 - (b) any tax which, under the law of any territory outside the United Kingdom other than territory R, is payable by the overseas company in respect of its profits.
- (6) For the purposes of subsection (2), one company (“S”) is a subsidiary of another company (“P”) if P controls, directly or indirectly, at least 50% of the voting power in S.

Changes to legislation:

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 63.