



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

Tax underlying dividend treated as underlying tax paid by dividend's recipient

64 Meaning of “dividend-paying chain” of companies

- (1) For the purposes of sections 65, 67 and 70 there is a dividend-paying chain if—
 - (a) condition A is met, and
 - (b) one of conditions B to D is met.
- (2) Condition A is that a company (“the second company”) pays a dividend to another company (“the first company”).
- (3) Condition B is that there is a third company which is a 10% associate of, and pays a dividend to, the second company.
- (4) Condition C is that there is a succession of companies consisting of—
 - (a) a third company which is a 10% associate of, and pays a dividend to, the second company, and
 - (b) a fourth company which is a 10% associate of, and pays a dividend to, the third company.
- (5) Condition D is that there is a succession of companies consisting of—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 64. (See end of Document for details)

- (a) a third company which is a 10% associate of, and pays a dividend to, the second company, and
 - (b) two or more companies (the fourth and fifth companies, and so on) each of which is a 10% associate of, and pays a dividend to, the company above it in the succession.
- (6) For the purposes of this section, a company (“X”) is a 10% associate of another company (“H”) if H—
- (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 X or at least 10% of the ordinary share capital of X.
- (7) For the purposes of subsection (6), a company (“S”) is a subsidiary of another company (“P”) if P controls, directly or indirectly, at least 50% of the voting power in S.

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