



Finance Act 2015

2015 CHAPTER 11

PART 3

DIVERTED PROFITS TAX

Payment and recovery of tax

100 Credit for UK or foreign tax on same profits

- (1) Subsection (2) applies where a company has paid—
 - (a) corporation tax, or
 - (b) a tax under the law of a territory outside the United Kingdom which corresponds to corporation tax,which is calculated by reference to profits of the company (“the taxed profits”).
- (2) Such credit as is just and reasonable is allowed in respect of that tax against any liability which either—
 - (a) that company has to diverted profits tax in respect of the taxed profits, or
 - (b) another company has to diverted profits tax in respect of taxable diverted profits arising to that other company which are calculated by reference to amounts which also constitute all or part of the taxed profits.
- (3) Subsection (4) applies where a company has paid—
 - (a) the CFC charge within the meaning of Part 9A of TIOPA 2010 (controlled foreign companies) (see section 371VA), or
 - (b) a tax under the law of a territory outside the United Kingdom (by whatever name known) which is similar to the CFC charge,which is calculated by reference to profits of another company (“the CFC profits”).
- (4) Such credit as is just and reasonable is allowed in respect of that charge or tax against any liability which a company has to diverted profits tax in respect of taxable diverted profits arising to that other company which are calculated by reference to amounts which also constitute all or part of the CFC profits.

Status: This is the original version (as it was originally enacted).

- (5) But nothing in this section allows a credit, against a liability to diverted profits tax, for an amount of tax or charge which was paid after the end of—
- (a) the review period in respect of the charging notice which imposed the charge to diverted profits tax, or
 - (b) where the charge to diverted profits tax was imposed by a supplementary charging notice, the review period within which that notice was issued.
- (6) For the purposes of subsection (1), any withholding tax paid on payments made to a person is (unless it is refunded) to be treated—
- (a) as tax within paragraph (a) or (b) of that subsection, and
 - (b) as paid by that person (and not the person making the payment).
- (7) For the purposes of subsection (6), an amount of withholding tax paid on payments made to a person is refunded if and to the extent that—
- (a) any repayment of tax, or any payment in respect of a credit for tax, is made to any person, and
 - (b) that repayment or payment is directly or indirectly in respect of the whole or part of the amount of that withholding tax.