
STATUTORY INSTRUMENTS

2019 No. 1452

**The Income Tax (Trading and Other Income) Act 2005
(Amendments to Chapter 2A of Part 5) Regulations 2019**

Amendments to Chapter 2A of Part 5 of ITTOIA 2005

12. After section 608MB (inserted by regulation 11) insert—

“Exemption for double taxation on amounts within same control group

608MC.—(1) This section applies where—

- (a) two persons (A and B) are in the same control group throughout a tax year,
- (b) neither A nor B is, at any time in the tax year, involved in an arrangement the main purpose, or one of the main purposes, of which is to obtain a tax advantage for A, B or any other person,
- (c) income tax is charged under section 608A on a UK-derived amount arising to A in the tax year, and A is not entitled to any relief in respect of the UK-derived amount,
- (d) the UK-derived amount is a direct or indirect payment from B to A in respect of rights (“relevant rights”) that—
 - (i) constitute any of B’s intangible property, and
 - (ii) derive, directly or indirectly, from rights that constitute any of A’s intangible property.

(2) In the application of section 608A to B for the tax year, the amount of any UK-derived amount arising to B in the tax year in respect of B’s relevant rights is to be reduced (but not below nil) by the amount of the UK-derived amount mentioned in subsection (1)(c).

(3) For the purposes of this section where a UK-derived amount is in respect of relevant rights and anything else, the amount is to be regarded as being in respect of relevant rights to such extent as is just and reasonable.

(4) For the meaning of “control group” see section 608S.”.