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SCHEDULES.

SCHEDULE 19

SUPPLEMENTARY PROVISIONS ABOUT DIVIDEND INCREASES IN 1965-66.

Company receiving dividends from within the group.

- 3 (1) Subject to paragraph 4 below, where a company's profits in the financial year 1965 (as ascertained for purposes of the principal section) include dividends paid in the year 1965-66 by a member of the same group of companies, and that member pays in the year 1965-66 a gross amount in dividends greater than its standard amount, then there shall, except as provided in sub-paragraph (2) below, be deducted from the said profits as so ascertained an amount equal to such part of the excess as bears to the whole the same proportion as the gross amount of the part of those dividends which is included in the profits bears to the gross amount of all the dividends paid by the said member in the year 1965-66.
- (2) Sub-paragraph (1) above shall not apply to the computation of a company's profits in the financial year 1965 unless the profits include a gross amount of dividends received by it from members of the same group of companies in excess of one-third of the gross amount of the dividends received by the company in its standard period from companies then being members of the same group of companies (or if the standard period is less than three years, an amount bearing to the dividends last mentioned the same proportion as one year bears to the standard period); and where in computing a company's profits for the financial year 1965 a deduction would fall to be made under sub-paragraph (1) above, the company may elect that instead there shall be made a deduction equal to the excess referred to in this sub-paragraph.
- (3) This paragraph shall apply where for purposes of the principal section a company's profits in the financial year 1965 are ascertained by reference to some period ending in that year, but not where its profits for another period are substituted for its profits in the financial year 1965.
- (4) Any election under this paragraph shall be made by notice in writing given to the inspector before the end of the year 1966-67.