

SCHEDULES

SCHEDULE 19

APPORTIONMENT OF INCOME OF CLOSE COMPANIES

PART I

DETERMINATION OF RELEVANT INCOME AND DISTRIBUTIONS

Legal restrictions on distributions

- 11 (1) Subject to paragraph 12 below, where a company is subject to any restriction imposed by law as regards the making of distributions, the excess mentioned in section 424(1) shall be disregarded to the extent to which the company could not make distributions up to the amount of its relevant income without contravening that restriction.
- (2) Except where paragraph 10(1) above applies, there shall be disregarded for the purposes of any apportionment made by virtue of section 424(2) so much of the relevant income of the company as is equal to any amount which would be disregarded under sub-paragraph (1) above.