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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1997, Paragraph 10. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 7

#### SPECIAL TREATMENT FOR CERTAIN DISTRIBUTIONS

**Modifications etc. (not altering text)**

**C1** Sch. 7 excluded (28.4.1997) by S.I. 1997/1154, reg. 25(10)

#### *Group income*

[<sup>F1</sup>10 (1) In subsection (5A) of section 247 of that Act (under which the group income provisions do not apply to FIDs), at the beginning there shall be inserted the words “ Subject to subsections (5B) to (5D) below, ”; and after that subsection there shall be inserted the following subsections—

“(5B) Where—

- (a) a company falling within subsection (5C) below and resident in the United Kingdom receives a dividend, and
- (b) that dividend would, apart from subsection (5D) below, be a distribution to which Schedule 7 to the Finance Act 1997 (special treatment for certain distributions) applies,

the dividend shall be taken to be one in relation to which an election under subsection (1) above may have effect in accordance with this section.

(5C) The receiving company falls within this subsection if—

- (a) it directly or indirectly owns all the ordinary share capital of the paying company, or
- (b) all the ordinary share capital of the paying company is owned directly or indirectly by a company resident in the United Kingdom which also owns, directly or indirectly, all the ordinary share capital of the receiving company;

and section 838 shall apply for construing the references in this subsection to directly or indirectly owning ordinary share capital of a company.

(5D) If an election under subsection (1) above has effect in relation to such a distribution as is mentioned in subsection (5B) above, that distribution shall be deemed to be a distribution to which Schedule 7 to the Finance Act 1997 does not apply.”

(2) This paragraph has effect in relation to distributions made on or after 26th November 1996.]

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**Textual Amendments**

- F1** Sch. 7 para. 10 repealed (31.7.1997 with effect in accordance with s. 36 and Sch. 6 of the amending Act) by 1997 c. 58, s. 52, Sch. 8 Pt. II(11) Note (with s. 3(3))

**Modifications etc. (not altering text)**

- C1** Sch. 7 para. 10(1) excluded (19.3.1997 with effect in relation to distributions made on or after 26.11.1996) by 1988 c. 1, s. 247(SD) (as inserted (19.3.1997 with effect in relation to distributions made on or after 26.11.1996) by 1997 c. 16, s. 69, Sch. 7 para. 10)

**Changes to legislation:**

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