

SCHEDULES

SCHEDULE 7

SPECIAL TREATMENT FOR CERTAIN DISTRIBUTIONS

Distributions treated as FIDs

- 2 (1) The Tax Acts shall have effect, and be deemed in relation to any time on or after 8th October 1996 to have had effect, as if a qualifying distribution to which this Schedule applies were a foreign income dividend within the meaning of Chapter VA of Part VI of the Taxes Act 1988 and, accordingly, as if the making of the distribution were the payment of a foreign income dividend.
- (2) In section 246A of the Taxes Act 1988 (elections for dividends to be treated as foreign income dividends), after subsection (2) there shall be inserted the following subsection—
- “(2A) An election under this section cannot be made as regards a distribution which already falls to be treated as a foreign income dividend by virtue of paragraph 2(1) of Schedule 7 to the Finance Act 1997.”
- (3) Sub-paragraph (1) above has effect subject to—
- (a) section 95(1A)(b) of the Taxes Act 1988 (receipt of qualifying distribution by dealer not to be treated as FID for certain purposes); and
- (b) section 247(5B) to (5D) of that Act (distributions that are subject to group income elections).
- (4) Sub-paragraph (2) above has effect in relation to the making of elections on or after 8th October 1996.