



Finance Act 1997

1997 CHAPTER 16

PART V

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Distributions etc.

70 Distributions of exempt funds

- (1) In subsection (5) of section 236 of the Taxes Act 1988 (meaning of “relevant profits”)—
 - (a) in paragraph (a), after “franked investment income” there shall be inserted “and foreign income dividends”; and
 - (b) in paragraph (b), for “and franked investment income” there shall be substituted “, franked investment income and foreign income dividends”.
- (2) After subsection (7) of that section there shall be inserted the following subsection—

“(8) In this section “foreign income dividends” shall be construed in accordance with Chapter VA of Part VI.”
- (3) This section has effect (subject to subsection (4) below) for the purposes of computing the relevant profits (within the meaning of section 236 of the Taxes Act 1988) arising to a company in any period falling wholly or partly after 7th October 1996.
- (4) No foreign income dividend paid before 8th October 1996 shall be included or, as the case may be, excluded by virtue of this section from any such profits as are mentioned in subsection (3) above.