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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 3. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 3

#### COMPANY DISTRIBUTIONS

*Distributions subject to the charge to corporation tax on income*

- 3 (1) Part 9A of CTA 2009 (company distributions) is amended as follows.
- (2) In section 931A (charge to tax), omit subsection (2) and for subsection (3) substitute—
- “(3) A distribution is exempt for the purposes of this Part if it is exempt under—
- (a) Chapter 2 (distributions received by small companies), or
  - (b) Chapter 3 (distributions received by companies that are not small).”
- (3) In section 931H (dividends derived from transactions not designed to reduce tax)—
- (a) in the heading, for “**Dividends**” substitute “ **Distributions** ”,
  - (b) in subsection (1)—
    - (i) after “dividend” insert “ or other distribution ”, and
    - (ii) for “paid” substitute “ made ”,
  - (c) in subsection (2), for “dividend is paid” substitute “ distribution is made ”,
  - (d) in subsections (3) and (4)—
    - (i) for “dividend” substitute “ distribution ”, and
    - (ii) for “paid” substitute “ made ”, and
  - (e) in subsection (5)—
    - (i) for “dividend” substitute “ distribution ”,
    - (ii) for “paid” (in both places) substitute “ made ”, and
    - (iii) for “dividends” substitute “ distributions ”.
- (4) After section 931R insert—

*“Chargeable gains*

#### **931RA Chargeable gains**

The fact that a dividend or other distribution is exempt does not prevent it from being taken into account in the calculation of chargeable gains.”

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 3.