

*These notes refer to the Corporation Tax Act 2010
(c.4) which received Royal Assent on 3 March 2010*

CORPORATION TAX ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Part 5: Group relief

Chapter 6: Equity holders and profits or assets available for distribution

Section 180: Company A's proportion if non-UK resident involved

721. This section is the main special rule about equity holders in non-UK resident companies. It is based on paragraph 5F of Schedule 18 to ICTA.
722. *Subsection (1)* introduces the section: subsection (2) applies in cases where there are no limited rights, temporary rights or option arrangements; subsection (3) applies in other cases.
723. *Subsection (2)* deals with the straightforward case in which none of sections 170 (limited rights), 172 (temporary rights) or 174 (options) applies. The alternative proportion calculated on the assumptions in section 181 is used if it is lower than the proportion that would otherwise be used.
724. *Subsection (3)* is a method statement which deals with the more complicated cases involving sections 170 (limited rights), 172 (temporary rights) and 174 (options), either singly or in the various possible combinations (see sections 175 to 178). The rule is that any calculations under those sections is done again using the assumptions in section 181 and the result of that calculation is used if it is lower than the proportion would otherwise be.