



Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 17A

MANUFACTURED DIVIDENDS

[^{F1}814C Treatment of payer of manufactured dividend

- (1) This section applies where a company has a manufactured dividend relationship under which a manufactured dividend is paid by or on behalf of the company.
- (2) No deduction in calculating income for corporation tax purposes is allowed in respect of the manufactured dividend (subject to subsections (3) to (7)).
- (3) Subsection (2) does not apply in relation to the company so far as the manufactured dividend is brought into account under Part 3 of CTA 2009 in calculating the profits of a trade carried on by the company.
- (4) Subsection (5) applies if—
 - (a) the manufactured dividend relates to investment business which the company has,
 - (b) the company received the real dividend in the accounting period, and
 - (c) the real dividend is taxed by virtue of section 548(5) (recipients of distributions from REITs).
- (5) The manufactured dividend is to be treated as expenses of management of the company's investment business for the accounting period for the purposes of Chapter 2 of Part 16 of CTA 2009.
- (6) Subsection (7) applies if—
 - (a) the manufactured dividend is referable to basic life assurance and general annuity business which the company has,
 - (b) the company received the real dividend in the accounting period, and
 - (c) the real dividend is taxed by virtue of section 548(5) (recipients of distributions from REITs).

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 814C. (See end of Document for details)

- (7) So far as the manufactured dividend is referable as mentioned in subsection (6)(a), the manufactured dividend is to be treated for the purposes of section 76 of FA 2012 as a deemed BLAGAB management expense for the accounting period.
- (8) Nothing in subsection (3) affects the question whether (apart from that provision) a deduction in calculating the profits of a trade carried on by the company is allowed.
- (9) The references in subsections (4) and (6) to the real dividend include references to a manufactured dividend which is treated as a real dividend by virtue of section 814D(2).
- (10) For the purposes of subsections (6) and (7), the manufactured dividend is treated as referable to basic life assurance and general annuity business so far as the real dividend is received by the company and is so referable in accordance with Chapter 4 of Part 2 of FA 2012 (apportionment rules for I-E charge).]

Textual Amendments

- F1** Pt. 17A inserted (with effect in accordance with Sch. 29 para. 51 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 29 para. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 814C.