These notes refer to the Taxation (International and Other Provisions) Act 2010 (c.8) which received Royal Assent on 18 March 2010

TAXATION (INTERNATIONAL AND OTHER PROVISIONS) ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 8: Minor and consequential amendments

Part 1: Double taxation relief

Section 931H of CTA 2009: Dividends derived from transactions not designed to reduce tax

Section 931J of CTA 2009: Schemes involving manipulation of controlled company rules

1424. This Schedule amends sections 931H(5) and 931J(7) of CTA 2009 by replacing the reference to Part 18 of ICTA with a reference to Part 2 of this Act. Sections 812 to 814 in Part 18 of ICTA have never been brought into force and are neither rewritten nor repealed. If those sections were in force, it is possible that dividends to which they would apply might have been deemed by section 931H(5) or 931J(7) of CTA 2009 to have been split into two separate dividends. As sections 812 to 814 of ICTA would, if in force, operate by restricting the benefits of tax credits given in respect of dividends, it makes no difference whether they would operate on the actual dividend or the two deemed dividends: either way, the total tax credit affected would be the same. Accordingly, no change results from sections 931H(5) and 931J(7) of CTA 2009 no longer potentially applying for the purposes of the uncommenced sections 812 to 814 of ICTA.