



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 2

#### DOUBLE TAXATION RELIEF

#### CHAPTER 1

##### DOUBLE TAXATION ARRANGEMENTS AND UNILATERAL RELIEF ARRANGEMENTS

##### *Unilateral relief arrangements*

#### **12 Rule 4: cases in which, and calculation of, credit allowed for tax on dividends**

- (1) Credit under section 9 for overseas tax on a dividend paid by a company (“P”) resident in the territory is allowed only if section 13, 14, 15 or 16 so provides.
- (2) If credit is allowed in principle as a result of at least one of sections 14, 15 and 16, any tax in respect of P’s profits that is paid by P under the law of the territory is to be taken into account in considering whether any, and (if so) what, credit is in fact to be allowed under section 9 in respect of the dividend.
- (3) If credit is allowed in principle as a result of at least one of sections 15 and 16, there is to be taken into account, as if it were tax payable under the law of the territory, any tax that would be so taken into account under section 63(5) if the recipient of the dividend—
  - (a) directly or indirectly controlled, or
  - (b) were a subsidiary of a company that directly or indirectly controlled, at least 10% of the voting power in P.

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**Changes to legislation:** There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 12. (See end of Document for details)

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- (4) For the purposes of subsection (3), the recipient is a subsidiary of another company if the other company controls, directly or indirectly, at least 50% of the voting power in the recipient.

**Changes to legislation:**

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 12.