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SCHEDULES

SIXTH SCHEDULE

DOUBLE TAXATION RELIEF

PART I

PROVISIONS FOR CREDIT BY WAY OF UNILATERAL RELIEF

- 1 Credit for tax paid under the law of the territory outside the United Kingdom in respect of income arising in that territory shall be allowed against any United Kingdom income tax or profits tax chargeable in respect of that income:
Provided that—
 - (a) where the territory is the Isle of Man or any of the Channel Islands, the limitation to income arising in the territory shall not apply;
 - (b) where arrangements with the Government of the territory are for the time being in force by virtue of Part V of the Finance (No. 2) Act, 1945, credit for tax paid under the law of the territory shall not be allowable under this paragraph in the case of any income if any credit for that tax is allowable under those arrangements in the case of that income.
- 2 Profits from or remuneration for personal or professional services performed in the territory shall be deemed to be income arising in the territory for the purpose of the preceding paragraph.
- 3 Where a dividend paid by a company resident in the territory is paid to a company resident in the United Kingdom which controls, directly or indirectly, not less than one half of the voting power in the company paying the dividend, tax paid under the law of the territory by the first mentioned company in respect of its profits shall be taken into account in considering whether any, and if so what, credit is to be allowed in respect of the dividend.
- 4 The following provisions shall, without prejudice to the generality of the last preceding paragraph, have effect where the territory is within the Commonwealth territories—
 - (a) where the income arising in the territory is an ordinary dividend paid by a company which is resident in the territory, tax paid under the law of the territory by the company in respect of its profits shall be taken into account in considering whether any, and if so what, credit is to be allowed in respect of the dividend; and
 - (b) where the income arising in the territory is a dividend paid by a company resident in the territory on participating preference shares and represents both a dividend at the fixed rate to which the shares are entitled and an additional participation in profits, sub-paragraph (a) of this paragraph shall apply in relation to so much of the dividend as represents the said additional

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participation in profits as if that part of the dividend were an ordinary dividend.