



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART VI

COMPANY DISTRIBUTIONS, TAX CREDITS ETC

CHAPTER VA

FOREIGN INCOME DIVIDENDS

[^{F1} Companies: payments and receipts]

Textual Amendments

F1 Pt. 6 Ch. 5A (ss. 246A-246Y) inserted (3.5.1994) by Finance Act 1994 (c. 9), Sch. 16 para. 1

246E Foreign income dividend not franked payment.

A foreign income dividend shall not constitute a distribution for the purposes of the definition of “franked payment” in section 238(1).

246F Calculation of ACT where company receives foreign income dividend.

- (1) Where in any accounting period a company receives foreign income dividends, the company shall not be liable to pay advance corporation tax in respect of foreign income dividends paid by it in that period unless the amount of the foreign income dividends paid by it in that period exceeds the amount of the foreign income dividends received by it in that period.
- (2) If in an accounting period there is such an excess, advance corporation tax shall be payable on an amount equal to the excess.

Status: Point in time view as at 19/03/1997.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income and Corporation Taxes Act 1988. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (3) If the amount of foreign income dividends received by a company in an accounting period exceeds the amount of the foreign income dividends paid by it in that period the excess shall be carried forward to the next accounting period and treated for the purposes of this section (including any further application of this subsection) as foreign income dividends received by the company in that period.
- (4) This section shall have effect subject to section 246T and [F²paragraph 2B(1)] of Schedule 23A.
- (5) Without prejudice to section 238(5), Schedule 13 shall apply for the purpose of regulating the manner in which effect is to be given to this section.

Textual Amendments

F2 Words in s. 246F(4) substituted (with effect in accordance with Sch. 10 para. 16(1) of the amending act) by [Finance Act 1997 \(c. 16\)](#), **Sch. 10 para. 10(2)** (with [Sch. 10 para. 16\(3\)\(b\)](#))

Modifications etc. (not altering text)

C1 S, 246F(3) restricted (31.7.1997) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), **Sch. 6 para. 22(1)**

246G Information relating to foreign income dividends.

- (1) Where section 234A applies by virtue of the fact that a foreign income dividend is paid by a company, references in that section to an appropriate statement shall be construed as references to a written statement—
- (a) in such form as the Board may require,
 - (b) showing the amount of the dividend paid,
 - (c) showing the date of the payment, and
 - (d) stating that the dividend carries no entitlement to a tax credit [F³and, in the case of a qualifying distribution to which Schedule 7 to the Finance Act 1997 applies, that it is a foreign income dividend by virtue of paragraph 2(1) of that Schedule];
- and in such a case section 234A(7) shall not apply.
- (2) In a case where—
- (a) a requirement is imposed on a company under section 234A(2) or (3) in relation to a foreign income dividend paid by it, and
 - (b) the company fails to comply with the requirement,
- no election may be made by the company under section 246J or 246K as regards the dividend or any part of it.

Textual Amendments

F3 Words in s. 246G(1)(d) inserted (with effect in accordance with [Sch. 7 para. 9\(2\)](#) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), **Sch. 7 para. 9(1)**

Status: Point in time view as at 19/03/1997.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income and Corporation Taxes Act 1988. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

246H Power of inspector to require information.

- (1) This section applies where a return made by a company for a return period in accordance with Schedule 13 shows that the company has paid foreign income dividends in the period.
- (2) The inspector may by notice require the company to furnish him within such time (not being less than 30 days) as may be specified in the notice with such further information relating to the dividends as he may reasonably require for the purposes of any enactment relating to foreign income dividends.
- (3) Without prejudice to the generality of subsection (2) above, the notice may require information as to the persons to whom dividends are paid.

Status:

Point in time view as at 19/03/1997.

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income and Corporation Taxes Act 1988. Any changes that have already been made by the team appear in the content and are referenced with annotations.