

## SCHEDULES

### SCHEDULE 3

#### TAX

##### *Distributions*

- 6 (1) This paragraph applies where the Corporation makes a distribution during the exempt period.
- (2) The following provisions shall not apply in relation to the distribution—
- (a) section 208 of the Income and Corporation Taxes Act 1988 (exemption from corporation tax);
  - (b) section 231 of that Act (tax credits).
- (3) The distribution shall be treated for the purposes of corporation tax and income tax as income falling within Case V of Schedule D as set out in section 18(3) of that Act.
- (4) The distribution shall be treated as equivalent foreign income for the purposes of section 1A of that Act (rate of tax for income from savings and distributions).
- (5) In this paragraph “distribution” has the same meaning as it has in the Corporation Taxes Acts by virtue of Chapter II of Part VI of the Income and Corporation Taxes Act 1988 (company distributions).