

*These notes refer to the Corporation Tax Act 2010
(c.4) which received Royal Assent on 3 March 2010*

CORPORATION TAX ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Part 23: Company distributions

Chapter 5: Demergers

Section 1081: General conditions

3142. This section sets out the conditions (A to D) for an exempt distribution to be treated as such, and covers all exempt distributions of the first or second type – see sections 1076 and 1077. It is based on section 213(4), (5), (10) and (11) of ICTA.
3143. *Subsection (1)* reflects the amendment of section 213(4) of ICTA by the Corporation Tax (Implementation of the Mergers Directive) Regulations 2009 ([SI 2009/2797](#)). The regulations substituted the words “resident in a memberState” for the words “UK resident” to ensure that the United Kingdom is fully compliant in this context with its obligations under Directive [90/434/EEC](#) of the European Council on cross-border mergers etc of limited liability companies.
3144. The section is supplemented by sections 1082 and 1083 which set out conditions that must be met in relation to specific types of exempt distribution.