

SCHEDULES

SCHEDULE 20

CONTROLLED FOREIGN COMPANIES AND FOREIGN PERMANENT ESTABLISHMENTS

PART 3

OTHER AMENDMENTS

CTA 2009

31 In section 931E (distributions from controlled companies) for subsections (3) to (5) substitute—

“(3) Condition B is that—

- (a) the recipient is one of two persons who, taken together, control the payer,
- (b) the recipient has interests, rights and powers representing at least 40% of the holdings, rights and powers in respect of which the recipient and the second person fall to be taken as controlling the payer, and
- (c) the second person has interests, rights and powers representing—
 - (i) at least 40%, but
 - (ii) no more than 55%,of the holdings, rights and powers in respect of which the recipient and the second person fall to be taken as controlling the payer.

(4) Section 371RB of TIOPA 2010 (read with section 371RD of that Act) applies for the purposes of this section.

(5) Section 371RD of TIOPA 2010 applies for the purpose of determining if the requirements of subsection (3)(b) and (c) are met in any case.

(6) In subsections (4) and (5) references to section 371RD of TIOPA 2010 are to that section omitting subsection (3)(c) and (d).”