

EXPLANATORY NOTE

CLAUSE 57: DOUBLE TAXATION RELIEF (DTR) ON DIVIDENDS:

AMENDMENT 206

SUMMARY

1. This amendment modifies clause 57 of Finance Bill 2009 by removing a subsection that duplicates existing legislation in Finance Act 2000.

DETAILS OF THE AMENDMENT

2. Amendment 206 removes subsection 57(2) so that Clause 57 no longer explicitly restricts the operation of the mixer to UK companies. This is not necessary as it duplicates legislation from elsewhere.

BACKGROUND NOTE

3. Paragraph 8(5) of Finance Act 2000 limits the application of the mixer cap to corporation tax cases only. Subsection 57(2) restated this restriction.
4. This subsection is superfluous. Its removal also removes the risk that companies could use this duplication to potentially avoid tax.

RESOLUTION 41

Mr Stephen Timms

206

Clause 57, page 27, line 27, leave out subsection (2).