

Bill 6: Distributions

Introduction

1. This paper presents draft clauses which rewrite Part 6 and section 418 of ICTA. These provisions provide the rules to determine what is and what is not a distribution for tax purposes, together with the rules for demergers and certain special types of distribution.

2. These clauses do not include the clauses that provide a parallel income tax treatment where appropriate, nor the rewrite of related clauses of an administrative nature in Part 6 of ICTA, such as those involving returns or information. These will be published at a later date

3. The paper contains:

- the draft clauses, with origins;
- draft explanatory notes; and
- a draft note outlining a proposed change in the law.

Questions for the committee

4. We would be grateful for any comments you may have on these draft clauses.

5. There is one draft Change Note which is intended for inclusion in Annex 1 to the explanatory notes on the Bill. It is a new change and we would welcome any comments you may have on it.

Closing date for comments

6. We would welcome any comments by 27 June 2008. If possible, they should be sent by e-mail to:

jackie.bartlett@hmrc.gsi.gov.uk

Written comments should be sent to:

Jackie Bartlett
Room 826, South West Wing
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7. Please note that the names of respondents may be published unless they ask for their comments to be treated in confidence.

31 March 2008