



**CORPORATION TAX ACT
CHAPTER 81:03**

CONSOLIDATED AND AMENDED

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LAWS OF GUYANA
CORPORATION TAX ACT
CHAPTER 81:03
ACT
30 of 1970

As Amended By

25 of 1971

14 of 1989

28 of 1991

14 of 1992

13 of 1993

16 of 1994

3 of 1996

Revenue Authority Act 13 of 1996

10 of 2010

2 of 2011

5 of 2017

10 of 2019

3 of 2020

LAWS OF GUYANA
CORPORATION TAX ACT
CHAPTER 81:03
CORPORATION TAX ACT, 1970

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CHAPTER 81:03

30 of 1970

CORPORATION TAX ACT

An Act to impose a tax on the profits of companies and for purposes connected therewith:

(12th December, 1970)

- | | | |
|------------------------------|-----------|---|
| Short title and commencement | 1. | This Act may be cited as the Corporation Tax Act, and shall be deemed to have come into operation with respect to and from the year of assessment commencing 1 st January, 1970. |
| Interpretation (10 of 2019) | 2. | (1) In this Act, unless the context otherwise requires – |
| | | “chargeable profits” means the aggregate amount of the profits of any company from the sources specified in Section 4 remaining after allowing the appropriate deductions and exemptions under this Act; |
| (5 of 2017) | | “commercial activity” means an activity carried out by a company trading in goods not manufactured by it, and includes an activity of a commission agency, a telecommunications company, a body corporate licensed to carry on banking business in Guyana, and an insurance company carrying on in Guyana insurance business, other than long-term insurance, as defined in section 2 of the Insurance Act; |
| 13 of 1993 | | “commercial company” means a company at least seventy-five percent of the gross income of which is derived from trading in goods not manufactured by it and includes any commission agency, any telecommunication company, any body corporate licensed or otherwise authorised by law to carry on banking business in Guyana, and any company carrying on in Guyana insurance business, other than long-term insurance business as defined in section 2 of the Insurance Act; |
| Cap. 91:02 | | |
| 28 of 1991 | | “company” has the meaning assigned to it in section 2 of the Income Tax Act; |
| | | “corporation tax” means the tax imposed by this Act; |
| | | “investment company” means a resident company that in respect of a year of assessment satisfies the following conditions – |

- (a) 100 percent of the assets thereof are situate in Guyana;
- (b) at least 80 percent of its property owned throughout the year was shares, bonds or marketable securities;
- (c) not less than 90 percent of its profits was derived from shares, bonds or marketable securities;
- (d) not more than 50 percent of its gross revenue for the year was from interest;
- (e) at no time in the year of income did more than 10 percent of its property consist of shares, bonds, marketable securities of any one company or debtor other than those of the Government;
- (f) at no time in the year of income was the number of shareholders of the company less than 50, none of whom at any time in the year held more than 25 percent of the shares or the capital stock of the company;
- (g) 90 percent or more of its profits (other than dividends or interest received in the form of shares, bonds or other securities that had not been sold before the end of the year of income) was distributed to its shareholders within six months following the end of the accounting period for that year of assessment.

(5 of 2017)

“non-commercial activity” means anything not covered in the definition of “commercial activity”;

“non-resident company” means a company the control and management of whose business are exercised outside Guyana;

“preference dividend” means a dividend payable on a preferred share or preferred stock at a fixed gross rate percent issued by a resident company before 31st January, 1969 or where a dividend is payable on such a preferred share or preferred stock partly at a fixed gross rate percent and partly at a variable rate, such part of that dividend as is payable at a fixed gross rate percent;

“profits” means income and includes net chargeable gains accruing on a disposal of property within twelve months of its acquisition and deemed to be chargeable income for the purposes of the Income Tax Act by section 8 of the Capital Gains Tax Act, Chapter 81:20;

c.81:01

“resident company” means a company the control and management of whose business are exercised in Guyana;

No. 2 of 2004

“small business” has the same meaning assigned to it in section 2 of the Small Business Act 2004;

25 of 1971
s.4

“year of assessment” means the period of twelve months commencing on 1st January, 1970 and each subsequent period of twelve months;

“year of income” means the year preceding the year of assessment.

- (2) Without prejudice to any other case in which a company is engaged in or carrying on trade or business in Guyana, a company shall be deemed to be engaged in or carrying on a trade or business in Guyana if it has an office or place of business in Guyana or has a branch or agency therein.
- (3) For the purpose of this Act, dividends, including preference dividends, shall be treated as paid on the date when they become due and payable.
- (4) For the purposes of the definition of “resident company” and “non-resident company”, the place where such a company is to be regarded as controlled is the place where the mind or management of the company is ordinarily situated.

Administration
of the act
s. 8 (13 of 1996)

3. The corporation tax imposed by this Act shall be under the care and management of the Commissioner – General, Guyana Revenue Authority.

Imposition of
corporation tax
(16 of 1994)

4. Subject to this Act, corporation tax shall be payable for each year of assessment at the rate specified in section 10, upon the profits of any company accruing in or derived from Guyana or elsewhere, and whether received in Guyana or not in respect of –
 - (a) any trade or business for whatever period of time the trade or business may have been carried on;
 - (b) any profession or vocation or management charges or charges for the provision of personal services and technical and managerial skills;
 - (c) capital gains accruing on a disposal of property within twelve months of its acquisition and deemed to be chargeable income for the purposes of the Income Tax Act by Section 8 of the Capital Gains Tax Act;

c.81:01

c.81:20

- (d) (Deleted by 16 of 1994)
- (e) interests, discounts, annuities or other accrued or periodic payments received for the use of capital;
- (f) premiums, commissions and fees;
- (g) rentals and royalties paid for the use or the right to use –
 - (i) copyrights, artistic or scientific work, patents, designs, plans, secret processes or formulae, trade marks, motion picture films, films or tape for radio and television broadcasting or other like properties or rights, or
 - (ii) information concerning industrial, commercial or scientific knowledge, experience or skill;
- (h) dividends and other income received from non-resident companies, out of profits not derived from or accruing in Guyana, and from persons (including a partnership) not being companies;
 - (i) any annual profits not falling under any of the foregoing paragraphs.

General
Scheme of
Corporation Tax

- 5.**
- (1) Subject to any exceptions provided for by this Act, a resident company shall be chargeable to corporation tax on all its profits wherever arising.
 - (2) Where a non-resident company is carrying on a trade or business in Guyana, the profits thereof that are chargeable to corporation tax shall be any income directly or indirectly accruing in or derived from Guyana.
 - (3) A company shall be chargeable to corporation tax on profit accruing for its benefit under any trust or arising under any partnership in any case in which it would be so chargeable if the profits accrue to it directly; and a company shall be chargeable to corporation tax on profits arising in the winding up of the company, but shall not otherwise be chargeable to corporation on tax profits accruing to it in a fiduciary or representative capacity except as respects its own beneficial interest (if any) in those profits.

- Basis of assessment
(25 of 1971)
- 6.** (1) Corporation Tax shall be charged for each year of assessment upon the chargeable profits of the company arising in the year preceding the year of assessment.
- (2) Except as otherwise provided by this Act, corporation tax shall be assessed upon the full amount of the profits accruing or arising, whether or not received in Guyana, in the year preceding the year of assessment without any other deduction than is authorised by this Act.
- Exemptions
(28 of 1991
16 of 1994)
- 7.** There shall be exempt from corporation tax –
- (a) distributions received by a company from a resident company;
- (b) the profits of an investment company;
- (c) the income of any local authority in so far as that income is not derived from a trade or business carried on by the local authority;
- and in calculating the income of a local authority for the purposes of this paragraph, the income derived from any market, abattoir, wharf, cemetery, garden or electric or water supply shall be exempt from tax;
- (d) the income of any statutory or registered building or friendly society;
- (e) the income of any ecclesiastical charitable, or educational institution or endowment of a of a public character within Guyana or elsewhere as may be approved of by the President, in so far as that income is not derived from a trade or business carried on by the institution:
- Provided** that a fair or fairs shall not be deemed to be a trade or business for the purpose of this paragraph unless the number of days on which such fair is held, or the aggregate number of days on which such fairs are held, exceeds seven days in the year immediately preceding any year of assessment;
- (f) the income of the Government Savings Bank;
- (g) the income of the Transport Department;
- (h) the income of the Harbour Board;
- (i) the income of the Forest Trust;

-
- c.36:20
- (j) the income of any fund established by a written law requiring public officers or a class of public officers to contribute to the fund;
 - (k) the income of any institution established for the encouragement of thrift which the Minister may declare to be exempt;
 - (l) the income of the Central Housing and Planning Authority constituted under the Housing Act;
 - (m) the income of the Catholic Hospital (Incorporated);
 - (n) the income of any medical clinic or hospital carried on otherwise than for the purpose of profit or gain by the Guyana Mission of Seventh Day Adventists;
 - (o) the income of any sports organisation derived from any public or private subscription or donation whether by deed of covenant or otherwise or in respect of gains or profits derived from charges for admission to witness or participate in sporting events or from the provision of refreshments to persons who witness sporting events;
 - (p) the income arising from investments of any fund or scheme approved of by the Minister as a fund established for the provision of annuities for all or any of the following persons in the events respectively specified, that is to say, for persons employed by the Government or any local authority or in any trade, profession or undertaking, either on retirement at a specified age or for the widows, children or dependants of persons who are or have been so employed on the death of those persons, whether or not such investments represent or are derived from contributions of persons or companies not resident in Guyana;
- c.98:03
- (q) the income of a Trade Union registered under the Trade Unions Act;
- c.81:01
- (r) the income of any institution or organisation of a national or international character which has been prescribed as such under section 35 of the Income Tax Act;
- 3 of 2020
- (s) the income of any company to the extent that the income of that company is exempt by virtue of any other law of Guyana;
 - (t) private corporate education institutions;
 - (u) private corporate medical health care institutions.
- General rules for computation
- 8.**
- (1) Except as otherwise provided by this Act, the chargeable profits of a company shall be computed in accordance with income tax principles

- of profits
c.81:01
(16 of 1994)
- relating to the provisions of the Income Tax Act applied by Section 16.
- (2) Subject to any enactment applied by this Act which expressly authorises such an allowance, no allowance shall, subject to subsections (4) and (5), be made in ascertaining the chargeable profits –
- (a) in respect of distributions; or
- (b) in respect of any annuity or other annual payment.
- (3) (Deleted by 16 of 1994)
- (4) Subsection (2)(b) shall not apply when the company makes a disposition to which section 75(3) of the Income Tax Act applies.
- (5) Without prejudice to the generality of subsection (1), any provision of the Income Tax Act which confers an exemption from income tax, or which provides for a person to be charged to income tax on any amount (whether expressed to be income or not, and whether an actual amount or not), shall have the like effect for purposes of corporation tax so far as is consistent with this Act.
- Deductions and
additions in
computation of
profits for
capital
allowances and
related charges
c.81:02
- 9.** (1) In computing for purposes of corporation tax a company profits for any year of assessment there shall be made in accordance with this section all such deductions and additions as are required to give effect to the provisions of the Income Tax (In Aid of Industry) Act which relate to deductions and allowances and charges in respect of capital expenditure, as those provisions are applied by this Act.
- (2) Allowances and charges which fall to be made for any year of assessment in computing the profits of a trade shall be given effect by treating the amount of any allowance as a trading expense of the trade in that year, and by treating the amount on which any such charge is to be made as a trading receipt of the trade in that year.

**Modification of Section 10 of the
Corporation Tax Act 1970
By section 3 of the
Miscellaneous (Fiscal Enactments)
(Amendment) Act 1971**

“Notwithstanding the provisions of section 10 of the Corporation Tax Act, 1970, that section shall, in its application to the year of assessment commencing on 1st January, 1971, have effect as if the word “forty-one”

and the word “thirty-one” were substituted for the word “thirty-five” and the word “twenty-five” respectively:

Provided that –

- s. 8 (13 of 1996) (a) the increase in the corporation tax imposed by the foregoing provisions of this section shall not apply to a company which satisfies the Commissioner - General of Guyana Revenue Authority that the company would not have been liable for the payment of withholding tax pursuant to section 39 of the Income Tax Act if that section had been in operation during the period commencing on 1st January, 1970 and ending on 11th December, 1970;
- s. 8 (13 of 1996) (b) any amount received by the Commissioner - General of Guyana Revenue Authority from a company as withholding tax pursuant to Section 39 of the Income Tax Act during the year 1970 shall be set off against the increase in the corporation tax payable by virtue of the foregoing provisions of this section.”
- Rate of Tax
(28 of 1991)
13 of 1993
2 of 2011
5 of 2017
10 of 2019) **10.** (1) Subject to this Act corporation tax shall be paid at the rate of –
- (a) forty- five percent of chargeable profits of a telephone company;
 - (b) forty percent of the chargeable profits of a commercial company other than a telephone company;
 - (c) twenty-five percent of the chargeable profits of any other company;
 - (d) for small business engaged in manufacturing and construction services and registered with the Small Business Bureau, tax shall be charged at the rate of twenty-five percent.

NOTE: For the year of assessment 1993 only Corporation Tax was payable at a uniform rate by all companies at 35%.

For year of assessment 1970-1992 the rate of Corporation Tax was:

Commercial Companies	35%
Non-commercial Companies	25%

- (2) (a) There shall be a dual rate of corporation tax for companies that are engaged in commercial and non-commercial activities.
- (b) For companies that are engaged in commercial and non-commercial activities, the non-commercial activity of the company shall be taxed at the rate of twenty-five percent and the commercial activity of the company shall be taxed at the rate of forty percent.

Minimum Tax
16 of 1994
3 of 1996
5 of 2017

- 10A.** (1) Where for any year of assessment the corporation tax payable by a commercial company is less than two percent of the turnover of the commercial company in the year of income immediately preceding that year of assessment, then notwithstanding anything contained in sections 4 and 10, and subject to this section, for the aforesaid year of assessment there shall be levied on, and paid by the commercial company a corporation tax (in this Act referred to as “minimum tax”) at the rate of two percent of the turnover of the commercial company in such year of income:

Provided that when proven to the satisfaction of the Commissioner-General that the rate of two percent of the turnover of the commercial company or of a company engaging in commercial activities, exceeds the rate of tax under section 10(1)(b), the corporation tax payable shall be limited to the corporation tax assessed and payable under section 10(1)(b).

- (2) A resident commercial company shall be liable to pay the tax on its entire turnover, wherever arising or accruing and a non-resident commercial company shall be liable to pay the tax on its turnover directly or indirectly arising from its operations in Guyana.
- (3) The following companies are exempt from the minimum tax:
 - (a) any company carrying on insurance business in Guyana ;
 - (b) any company exempt from corporation tax;
- (4) In computing the turnover of a commercial company the following shall not be taken into account –
 - (i) income or receipts, whether in money or money’s worth, which are exempt from corporation tax under Section 7.
 - (ii) (Deleted by 3 of 1996)

- (5) Where a commercial company has paid minimum tax for any year of assessment, the corporation tax payable by that commercial company for that year of assessment shall be set off against the minimum tax and the excess amount of minimum tax shall be allowed to be carried forward and set off against the corporation tax payable by the commercial company for the succeeding year or years of assessment, to the extent to which such corporation tax is in excess of two percent of the turnover of the commercial company in the year of income immediately preceding the year or each of such years of assessment.
- (6) Except to the extent to which they are inconsistent with this section-
- (a) the other provisions of this Act; and
 - (b) the provisions of the Income Tax Act; as applied in relation to corporation tax by this Act, shall *mutatis mutandis* apply in relation to the minimum tax:

Provided that section 19, proviso (c), of the Income Tax Act, as applied in relation to corporation tax, shall not apply to any company liable to pay minimum tax.

- (7) In this section –
- (a) (Deleted by 3 of 1996)
 - (b) “turnover”, in relation to a commercial company, means gross receipts of the commercial company, whether received in Guyana or not, in money or money’s worth in any year of income from the commercial company’s activities, including all cash and credit sales, receipts on account of work done, commissions and fees receivable, and lump sum settlements, without any deductions for expenses, taxes or duties or of any other nature:

Provided that in computing the gross receipts of a company in any year of income the consumption tax paid by that commercial company in relation to any sales, being the source for such receipts, shall be excluded

Provided further that the receipts in money or money’s worth from any source other than a source referred to in Section 4 shall not be taken into account in determining the turnover of a commercial company.

- (8) Where a company other than a commercial company paid minimum tax for the years of assessment 1995 and 1996, then to the extent that such minimum tax has not been relieved in accordance with Subsection (5) the unrelieved minimum tax shall be carried forward and set off against corporation tax payable by the said company for the succeeding year or years of assessment until completely recouped by the taxpayer and the limitation imposed by proviso (c) to Section 19 of the Income Tax Act, shall apply with respect to such unrelieved “minimum tax”.

Withholding tax
on payments to
contractors.
(16 of 1994)

- 10B.** (1) There shall be levied and paid corporation tax (in this Act referred to as “withholding tax”) by every person on payments made by him or it or on his or its behalf to any non-resident companion account of any contract undertaking by or on behalf of that non-resident company, at the rate of ten percent of such payment made in any year of account.

s. 8 (13 of 1996)

- (2) Where any payment is made by any person or on his or its behalf to a non-resident company in respect of a contract undertaking, the person shall, within thirty days from the date on which the payment is made, account to the Commissioner – General for the payment in such form as may be specified by him or prescribed by regulations and pay over to the Commissioner – General the withholding tax payable in respect of the payment.
- (3) The person, who or which is liable to pay the withholding tax under subsection (1) in respect of any payment, may deduct it from the payment.
- (4) The withholding tax paid under subsection (1) in respect of any payment made to a non-resident company in any year of income shall be given credit in computing the corporation tax payable by the non-resident company for the year of assessment following such year of income.
- (5) For the purposes of this section, where a payment on account of a contract undertaking is made to any office, branch or agency of any non-resident company in Guyana, the payment shall be deemed to have been made to the non-resident company.
- (6) Where any person, liable under subsection (2) to account for and pay over any amount by way of withholding tax to the Commissioner –

General, fails or refuses to do so, in addition to the withholding tax, there shall become payable by such person to the Commissioner – General, by way of penalty, an amount which shall be equal to the amount of withholding tax in respect of which the default was committed and such penalty shall be recoverable in the same manner as the withholding tax.

- (7) Except to the extent to which they are inconsistent with this section
- (a) the other provisions of this Act; and
 - (b) the provisions of the Income Tax Act as applied in relation to corporation tax by this Act, shall mutatis mutandis apply in relation to the withholding tax:

Provided that section 96 of the Income Tax Act as applied to corporation tax shall not apply in relation to withholding tax.

- (8) In this section
- (a) “contract” includes a sub-contract;
 - (b) “contract undertaking” means the supply of goods or services, or the undertaking of any work, for reward (whether the amount or nature of the reward is, at the time of the making of the contract, fixed and agreed upon or not) under or pursuant to any contract entered into between two or more parties;
 - (c) “goods” includes wares, merchandise, articles, chattels and things of any kind or material whatsoever;
 - (d) “payment” means gross payment without any deduction whatsoever;
 - (e) “work” includes any construction work, manufacture of any article or thing, and repairing, fashioning, altering, cleansing or servicing any article or thing.

Power to direct
distribution of
certain profits

11. (1) A close company shall distribute as dividend, profits which can be distributed without detriment to the company’s business.

- (2) With a view to preventing the avoidance of the payment of tax through the withholding from distribution of the profits of a close company which could otherwise be distributed, it is hereby enacted that where it appears to the Commissioner – General that such a company has not distributed to its members as dividend, profits which could be distributed without detriment to the company’s existing business, the Commissioner –General, by notice in writing to the company, may

s. 8 (13 of 1996)

direct that such profits shall thereupon be distributed, so however, that in determining whether any company has or has not distributed profits that could be distributed as aforesaid, the Commissioner – General shall have regard to the current needs and future development requirements of the company’s business.

- (3) Where, during any year of assessment, a close company, on an application made in the prescribed manner and within the prescribed time, satisfies the Commissioner – General on the basis of concrete evidence that such distribution could be prejudicial to the current needs or to the future development requirements or both of the company, the s. Commissioner – General may relieve such company from compliance with the directions under this section to such extent as it may consider appropriate, and the company shall thereupon be so relieved, so, however that if the Commissioner – General refuses so to relieve the company he may treat any such undistributed profits as distributed, and the persons concerned shall be assessable accordingly.

8 (13 of 1996)

Deductions
for director’s
remuneration

- 12.** (1) In computing the profits of a close company for any year of assessment for the purpose of ascertaining the chargeable profits of such company, the deduction that may be made for the remuneration by way of fees of a director other than a whole time service director shall not, subject to this section, exceed 10 percent, of the chargeable profits, before making the deduction for that remuneration or for initial allowances, other than the allowance in respect of annual depreciation provided for by the Income Tax (In Aid of Industry) Act, but so that the deduction does not exceed thirty thousand dollars for each such director.

c.81:02

- (2) In computing the profits of a close company for any year of assessment there may be allowed a deduction for the remuneration by way of fees paid to any director, who is required to devote substantially the whole of his time to the service of the company in a managerial or technical capacity of an amount not exceeding –

14 of 1992

- (a) one hundred and twenty thousand dollars, in the case of the highest paid director;
- (b) ninety-six thousand dollars, in any other case,

so however, that where any such director receives remuneration by way of a salary as a full-time employee of the company, the company may not claim as a deductible expense an amount in excess of sixty thousand dollars in respect of the fees so paid.

- s. 8 (13 of 1996)
- (3) Notwithstanding anything in this section to the contrary, where any sum paid to a director of a close company exceeds an amount which in the opinion of the Commissioner – General appears to be fair and reasonable in view of the time provided by the director to the affairs of the company, the Commissioner – General may deem the excess of the amount paid to such director over what is considered to be fair and reasonable, to be a distribution by the company to such a director.
- Supplementary provisions relating to close companies
First Schedule
- 13.** The Schedule shall have effect for the interpretation and operation of the foregoing sections of this Act relating to close companies, and those sections shall have effect subject to and in accordance with the provisions of that Schedule.
- Application and adoption of
Income Tax (In Aid of Industry)
Act as to capital allowance and other matters
c.81:01
c.81:02
- 14.**
- (1) Except in so far as this Act otherwise provides, the Income Tax (In Aid of Industry) Act and any provisions of the Income Tax Act relating to the making of allowances or charges under or in accordance with the Aid said Income Tax(In Aid of Industry) Act shall apply equally for purposes of corporation tax and for the purposes of Income Tax.
- (2) For the purposes of corporation tax the right to an allowance or liability to a charge for a year of assessment and the rate or amount of any such allowance, or charge, shall be determined under the provisions referred in subsection (1) by applying the law in force for the year of assessment.
- (3) Where by virtue of this Act any provision of the Income Tax Act applies both to income tax and to corporation tax, it shall not be affected in its operation by the fact that they are distinct taxes but, so far as consistent with this Act, shall apply in relation to income tax and corporation tax as if they were one tax, so that, in particular, a matter which in a case involving two individuals is relevant for both of them in relation to income tax shall in a like case involving an individual and a company be relevant for him in relation to that tax and for it in relation to corporation tax; and for that purpose in any such provision of the Income Tax Act references to a deduction or allowance for the purpose of ascertaining chargeable income or to a specified provision of that Act shall, in the absence of or subject to any express adaptation made by this Act, be construed as being or including a reference to any

corresponding deduction or allowance for the purpose of ascertaining chargeable profits or to any corresponding provision of this Act.

Double
taxation relief
c.81:01

- 15.** (1) Sections 89 and 90 of the Income Tax Act together with any other enactment relating or referring to double taxation relief shall have effect in relation to corporation tax and profits chargeable thereto as they are expressed to have effect in relation to income tax and income chargeable thereto.
- (2) Where dividends are paid by a company resident in a country outside Guyana to a company resident in Guyana which controls directly or indirectly not less than one-quarter of the voting power of the company paying the dividends, then for the purpose of allowing credit against corporation tax in respect of the dividends in accordance with the Fourth Schedule of the Income Tax Act, any Guyana tax payable by the first-mentioned company in respect of its profits (whether Income Tax or Corporation Tax) and any tax so payable under the law of any country outside Guyana shall be taken into account as if it were tax payable under the law of the first mentioned country.
- (3) For the purposes of this section a company shall be deemed to control, directly or indirectly not less than one-quarter of the voting power in another company if a third company having such control also controls directly or indirectly not less than one-half of the voting power in the first-mentioned company.

Application of
provisions of
section 92A of
the Income Tax
for the purposes
of corporation tax
(14 of 1989)

- 15A.** The provisions of section 92A of the Income Tax Act shall, as they apply to income tax, apply, **mutatis mutandis** to corporation tax.

Application of
the provisions
of the Income
Tax Act for the
purposes of
corporation tax
(28 of 1991
10 of 2010)
c.81:01

- 16.** Subject to sections 8 and 9, the provisions of the Income Tax Act in the table below shall apply in relation to corporation tax as they apply in relation to income tax under the Income Tax Act but subject to any necessary modifications and adaptations.

TABLES**Provisions in Income Tax Act applied
To Corporation Tax**

10 of 2010 Sections 2, 3, 4, 5, 9, 10, 12, 14, 15, 15A, 16, 17, 18, 19, 29, 30, 31, 32, 33, 33A, 33B, 33C, 33D, 35, 35A, 48, 49, 50, 51, 52, 53, 54, 60, 62, 63, 63A, 64, 65, 68, 70, 72, 74, 75, 76, 78, 82, 83, 84, 86, 87, 88, 96, 97, 98, 99, 101, 102, 103, 104, 105, 106, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117.

s.16

**SCHEDULE
SUPPLEMENTARY PROVISIONS RELATING
TO CLOSE COMPANIES**

1. (1) For the purposes of this Act a “close company” is one which is under the control of five or fewer participators or of participators who are directors, except that the expression does not apply –
 - (a) to a non-resident company; or
 - (b) to a statutory or registered co-operative or friendly society; or
 - (c) to a company controlled by or on behalf of the State; or
 - (d) to a company falling within subparagraph (2).
- (2) A company is not to be treated as a close company in any case where –
 - (a) by reason of beneficial ownership of shares in the company the control of it is in the hands of a company which is not a close company or of two or more companies none of which is a close company; and
 - (b) it could only be treated as a close company as being under the control of five or fewer participators, and it cannot be so treated except by taking as one of the participators a company which is not a close company.

but so that references in this subparagraph to a close company, shall be construed as applying to any company which, if a resident company, would be a close company.

2. For the purposes of this Act relating to close companies, a company is to be treated as another's "associated company" at a given time if at that time, or at any time within one year previously, one of the two has control of the other or both are under the control of the same person or persons.
3. (1) For the purposes of this Act a person shall be taken to have control of a company –
 - (a) if he exercises, or is able to exercise, or is entitled to acquire control, whether direct or indirect, over the company's affairs, and in particular, but without prejudice to the generality of the preceding words, if he possesses or is entitled to acquire, the greater part of the share capital or voting power in the company; or
 - (b) if he possesses or is entitled to acquire, either-
 - (i) the greater part of the issued share capital of the company; or
 - (ii) such part of that capital as would, if the whole of the profits of the company were in fact distributed to the members, entitle him to receive the greater part of the amount so distributed; or
 - (iii) such redeemable share capital as would entitle him to receive on its redemption the greater part of the assets which, in the event of a winding up, would be available for distribution among members; or
 - (c) if in the event of a winding up he would be entitled to the greater part of the assets available for distribution among members.

Where two or more persons together satisfy any of the conditions in paragraphs (a) to (c), they shall be deemed to have control of the company.

- (2) In subparagraph (1) "member" includes any person having a share or interest in the capital or profits of the company, and for purposes of that subparagraph a person shall be treated as entitled to acquire anything which he is entitled to acquire at a future date or will at a future date be entitled to acquire; but for the purposes of subparagraphs (1)(b)(iii) and (c) any such loan creditor as is mentioned in paragraph (4)(1)(b) may be

treated as a member (and the references to share capital as including loan capital).

- (3) For the purposes of subparagraph (1) there shall be attributed to any person any rights or powers of a nominee for him, that is to say, rights or powers which another person possesses on his behalf or may be required to exercise on his direction or behalf.
- (4) For the purposes of subparagraph (1) there may also be attributed to any person all the rights and powers of any company of which he has, or he and associates of his have, control or any two or more such companies, or of any associates of his or any two or more associates of his, including those attributed to a company or associate under subparagraph (3) but not those attributed to an associate under this subparagraph; and such attributions shall be made under this subparagraph as will result in the company being treated as under the control of five or fewer participators, if it can be so treated.

“Participator” and “Associate”

4. (1) For the purposes of this Act a “participator” is, in relation to any company, a person having a share or interest in the capital or profits of the company and, without prejudice to the generality of the preceding words, includes –
 - (a) any person who possesses or is entitled to acquire share capital or voting rights in the company;
 - (b) any person who is a loan creditor of the company otherwise than in respect of any loan capital or debt issued or incurred by the company for money lent by him to the company in the ordinary course of a business of banking carried on by him;
 - (c) any person who possesses or is entitled to acquire a right to receive or to participate in the distributions of the company or any amounts payable by the company (in cash or in kind) to loan creditors by way of premium on redemption;
 - (d) any person who is entitled to secure that the profits or assets (whether present or future) of the company will be applied directly or indirectly for his benefit.

- (2) In subparagraph (1) references to “being entitled to do anything” apply where a person is presently entitled to do it at a future date or will at a future date be entitled to do it; and “loan creditor” means a creditor in respect of any redeemable loan capital issued by the company or in respect of any debt incurred by the company, being a debt –
- (a) for money borrowed or capital assets acquired by the company; or
 - (b) for any right to receive profits created in favour of the company; or
 - (c) for consideration the value of which to the company was (at the time when the debt was incurred) substantially less than the amount of the debt (including any premium thereon).
5. For the purposes of this Act relating to close companies, “associate” means, in relation to a participator -
- (a) a person in any of the following relationships to the participator, that is to say, husband or wife, parent or remoter forebear, child or remoter issue, brother or sister, and partner;
 - (b) the trustee or trustees of any settlement in relation to which the participator is, or any such relative of (a) is or was a settler;
 - (c) where the participator is interested in any shares or obligations of the company which are subject to any trust or are part of the estate of a deceased person, any other person interested therein,

and has a corresponding meaning in relation to a person other than a participator.

**“DIRECTOR” AND “WHOLE-TIME SERVICE
DIRECTOR”**

6. (1) For the purposes of this Act relating to close companies, “director” and “whole-time service director” have the meaning assigned to them by this paragraph.
- (2) “Director” includes any person occupying the position of director by whatever name called, any person in accordance with whose directions or instructions the directors are accustomed to act and any person who –
- (a) is a manager of the company or otherwise concerned in the management of the company’s trade or business; and

- (b) is remunerated out of funds of that trade or business; and
- (c) is, either on his own or with one or more associates, the beneficial owner of, or able, directly or through the medium of other companies or by any other indirect means, to control 20 percent, or over of the ordinary share capital of the company (“ordinary share capital” here meaning all the issued share capital, by whatever name called, other than capital the holders whereof have a right to a dividend at a fixed rate but have no other right to share in the profits of the company).
- (3) “Whole-time Service Director” has the same meaning as in Section 2 of the Income Tax Act.

c.81:01

SUBSIDIARY LEGISLATION

Reg.21/1970
6 of 1974

CORPORATION TAX (PAYMENT) REGULATIONS

made under section 16

Citation

- 1.** These Regulations may be cited as the Corporation Tax (Payment) Regulations.

When
Corporation
tax to be paid
(Reg. 6/1974)
c.81:01
Sub-leg.

- 2.** The Income Tax (Payment of Tax by Companies) Regulations 1974 shall as the same apply in relation to the payment of income tax by companies, apply **mutatis mutandis** in relation to the payment of corporation tax.

Regulations**15 of 1994****Made Under****The Corporation Tax Act**

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|---|---|
| Citation and commencement | 1. These regulations which amend the Corporation Tax (payment) Regulations may be cited as the Corporation Tax (payment) (Amendment) Regulations 1994 and shall come into operation with respect to and from the year of assessment commencing on 1 st January, 1995. |
| Amendment of regulation 2 of the Principal Regulations. | 2. Regulation 2 of the Principal Regulations is hereby amended by the insertion, after the words “corporation tax”, of the words, “including minimum tax but excluding withholding tax”. |

Made this 21st day June, 1994.