

Dividends and other distributions at gross rate or of gross amount. CTA76 s178; FA78 s28(6); FA97 s37 and Sch2 par1 139.—(1) Where any right or obligation created before the 6th day of April, 1976, is expressed by reference to a dividend at a gross rate or of a gross amount, that right or obligation shall, in relation to a dividend payable on or after that date, take effect as if the reference were to a dividend of an amount determined by the formula—

$$D = \frac{A \times D}{100}$$

where—

A is the standard credit rate per cent for the year of assessment in which the dividend is paid, and

D is an amount equal to a dividend at that gross rate or of that gross amount.

(2) Subsection (1) shall apply with the necessary modifications to a dividend partly at a gross rate or of a gross amount and shall apply to any distribution other than a dividend as it applies to a dividend.