



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART V

SCHEDULE C, AND GENERAL PROVISIONS ABOUT GOVERNMENT SECURITIES

Government securities: exemptions from tax

95 United Kingdom savings certificates

- (1) The accumulated interest payable in respect of any national or war savings certificate issued by the Treasury through the Post Office or under the auspices of the Director of Savings, being a certificate under which the purchaser, by virtue of an immediate payment, becomes entitled after the expiry of a specified period to receive some greater sum, shall not be liable to tax so long as the amount of the certificates held by the person who is for the time being the holder of the certificate does not exceed the amount which an individual is for the time being authorised to hold under regulations made by the Treasury.
- (2) Where the currency of any national or war savings certificate has been extended under any Act, subsection (1) above shall apply with respect to any interest payable in respect of the certificate for the period after the expiry of the period referred to in that subsection up to the date on which it is repaid or redeemed as it applies to the said accumulated interest.

96 Ulster savings certificates held by persons resident and domiciled in Northern Ireland

- (1) The provisions of section 95 above giving relief from tax in respect of the accumulated interest payable in respect of national savings certificates shall extend to the accumulated interest payable in respect of any Ulster savings certificates issued by the Government of Northern Ireland and held by persons resident and domiciled in Northern Ireland, whether issued for the same price, and whether maturing for payment on the expiry of the same period, as national savings certificates or not, and

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whether the sum payable on maturity is the same as in the case of national savings certificates or not.

(2) A claim under this section shall be made to the Board.

97 Ulster savings certificates issued to persons resident in Northern Ireland

(1) Subject to subsections (2) and (3) below, there shall be exempt from tax the accumulated interest payable in respect of any such savings certificates issued by the Government of Northern Ireland as are declared by regulations made by the Treasury to be certificates the proceeds of the sale of which have been made available to Her Majesty's Government in the United Kingdom.

(2) The exemption conferred by subsection (1) above shall not extend to the interest on any certificate unless the person beneficially entitled to the certificate when it was issued was then resident in Northern Ireland.

(3) If, at the date of the encashment of any certificates to which subsection (1) above applies, the total savings certificate holding of the person beneficially entitled to the certificates encashed, computed in the prescribed manner, exceeds the prescribed limit, the said exemption—

(a) shall not extend to the interest on the encashed certificates unless the encashment thereof brings the total savings certificate holding of that person, computed as aforesaid, below the prescribed limit, and

(b) shall then extend only to the interest on so much of the encashed certificates as is equal to the amount by which the said total holding, so computed, is brought by the encashment below the prescribed limit.

In this subsection " the total savings certificate holding" means, in relation to a person, his total holding of certificates to which subsection (1) above applies and savings certificates issued by the Treasury through the Post Office or under the auspices of the Director of Savings, and " prescribed " means prescribed by regulations made by the Treasury.

(4) A claim under this section shall be made to the Board.

(5) Nothing in this section shall deprive any person of any exemption from tax under section 96 above.

(6) Any power conferred by this section to make regulations shall be exercisable by statutory instrument.

98 Tax reserve certificates

Tax shall not be chargeable in respect of the interest on tax reserve certificates issued by the Treasury,

99 United Kingdom government securities held by nonresidents

(1) Where the Treasury (whether before or after the passing of this Act) issue any securities which they have power to issue for the purpose of raising any money or any loan with a condition that the interest thereon shall not be liable to income tax so long as it is shown that the securities are in the beneficial ownership of persons who are not

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ordinarily resident in the United Kingdom, the interest on securities issued with such a condition shall, subject to subsection (3) below, be exempt from tax accordingly.

- (2) A claim under this section shall be made to the Board.
- (3) Where any income of any person is, by virtue of any provision of the Tax Acts (and in particular, but without prejudice to the generality of the preceding words, by virtue of Chapter III of Part XVII of this Act) to be deemed to be income of any other person, that income is not exempt from tax as being derived from a security issued by the Treasury with any condition regulating the treatment of the interest thereon for tax purposes by reason of the first-mentioned person not being ordinarily resident, or being neither domiciled nor ordinarily resident, in the United Kingdom.

100 Securities of foreign states held by non-residents

- (1) Subject to subsection (3) below, no tax shall be chargeable in respect of dividends payable in the United Kingdom on the securities of any state or territory outside the United Kingdom, or in respect of any dividends or proceeds chargeable apart from this subsection under paragraph 3 or 4 of Schedule C, if it is proved, on a claim in that behalf made to the Board, that the person owning the securities and entitled to the dividends or proceeds is not resident in the United Kingdom.
- (2) Where securities are held under a trust, and the person who is the beneficiary in possession under the trust is the sole beneficiary in possession and can, by means either of the revocation of the trust or of the exercise of any powers under the trust, call upon the trustees at any time to transfer the securities to him absolutely free from any trust, that person shall, for the purposes of subsection (1) above, be deemed to be the person owning the securities.
- (3) Where any income of any person is, by virtue of any provision of the Tax Acts (and in particular, but without prejudice to the generality of the preceding words, by virtue of Chapter III of Part XVII of this Act) to be deemed to be income of any other person, that income is not exempt from tax by virtue of this section by reason of the first-mentioned person not being resident in the United Kingdom.