



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART VIII

SCHEDULE E

CHAPTER II

EXPENSES ALLOWANCES TO DIRECTORS AND OTHERS

198 Meaning of " director ", " employment ", and " employment to which this Chapter applies "

(1) In this Chapter " director " means—

- (a) in relation to a body corporate the affairs whereof are managed by a board of directors or similar body, a member of that board or similar body,
- (b) in relation to a body corporate the affairs whereof are managed by a single director or similar person, that director or person,
- (c) in relation to a body corporate the affairs whereof are managed by the members themselves, a member of the body corporate,

and includes any person in accordance with whose directions or instructions the directors of the body corporate, defined in accordance with the preceding provisions of this subsection, are accustomed to act:

Provided that a person shall not, within the meaning of this subsection, be deemed to be a person in accordance with whose directions or instructions the directors of a body corporate are accustomed to act by reason only that the said directors act on advice given by him in a professional capacity.

(2) In this Chapter "employment" means an employment such that any emoluments thereof would fall to be assessed under Schedule E, and references to persons employed by, or employees of, a body corporate include any person who takes part in the management of the affairs of the body corporate and is not a director thereof.

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (3) Subject to the proviso to this subsection and to subsections (4) and (5) below the employments to which this Chapter applies are employments the emoluments of which, calculated on the basis that they are employments to which this Chapter applies, and without any deduction being made under section 189 of this Act in respect of money expended in performing the duties thereof, or under section 192 of this Act in respect of any fee, contribution or subscription, are at the rate of £2,000 a year or more:
- Provided that—
- (a) where a person is employed in several employments by the same body corporate, and the total of the emoluments of those employments, calculated as aforesaid, is at the rate of £2,000 a year or more, all those employments shall be treated as employments to which this Chapter applies, and
 - (b) where a person is a director of a body corporate, all employments in which he is employed by the body corporate shall be treated as employments to which this Chapter applies.
- (4) All the directors of, and persons employed by, a body corporate over which another body corporate has control, shall be treated for the purposes of the proviso to subsection (3) above (but not for any other purpose) as if they were directors of, or, as the case may be, as if the employment were an employment by, that other body corporate.
- (5) Notwithstanding anything in the preceding provisions of this section, no employment of a person by a body corporate at a school or other educational establishment carried on by that body corporate shall be an employment to which this Chapter applies, or be taken into account in determining whether any other employment is an employment to which this Chapter applies.