



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART III

PROVISIONS RELATING TO THE SCHEDULE C CHARGE AND GENERAL PROVISIONS ABOUT GOVERNMENT SECURITIES

Government securities: exemptions from tax

46 Savings certificates and tax reserve certificates

- (1) Subject to subsections (3) to (6) below, income arising from savings certificates shall not be liable to tax.
- (2) Tax shall not be chargeable in respect of the interest on tax reserve certificates issued by the Treasury.
- (3) Subsection (1) above does not apply to any savings certificates which are purchased by or on behalf of a person in excess of the amount which a person is for the time being authorised to purchase under regulations made by the Treasury or, as respects Ulster Savings Certificates, by the Department of Finance and Personnel.
- (4) Subsection (1) above does not apply to Ulster Savings Certificates unless—
 - (a) the holder is resident and ordinarily resident in Northern Ireland when the certificates are repaid; or
 - (b) the certificates were purchased by him and he was so resident and ordinarily resident when they were purchased.
- (5) A claim under this section in respect of Ulster Savings Certificates shall be made to the Board.
- (6) In this section “savings certificates” means savings certificates issued under section 12 of the National Loans Act 1968 or section 7 of the National Debt Act 1958 or section 59 of the Finance Act 1920 and any war savings certificates as defined in section 9(3) of the National Debt Act 1972, together with any savings certificates issued under any corresponding enactment forming part of the law of Northern Ireland.

Status: This is the original version (as it was originally enacted).

47 United Kingdom government securities held by non-residents

- (1) The interest on securities which—
 - (a) the Treasury 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 ordinarily resident in the United Kingdom, and
 - (b) have been 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) 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.

48 Securities of foreign states

- (1) Subject to subsection (3) below, no tax shall be chargeable in respect of—
 - (a) dividends payable in the United Kingdom on the securities of any state or territory outside the United Kingdom, or
 - (b) 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—
 - (a) securities are held under a trust, and
 - (b) the person who is the beneficiary in possession is the sole beneficiary in possession and can, by means either of 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) 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.
- (4) Paragraph 1 of Schedule C shall not apply, in the case of dividends payable out of any public revenue other than the public revenue of the United Kingdom, if the securities in respect of which the dividends are payable are held in a recognised clearing system.

49 Stock and dividends in name of Treasury etc

- (1) No tax shall be chargeable in respect of the stock or dividends transferred to accounts in the books of the Bank of England in the name of the Treasury or the National Debt Commissioners in pursuance of any Act of Parliament, but the Bank of England shall transmit to the Board an account of the total amount thereof.
- (2) No tax shall be chargeable in respect of the stock or dividends belonging to the Crown, in whatever name they may stand in the books of the Bank of England.