

*These notes refer to the Income Tax (Trading and Other Income)
Act 2005 (c.5) which received Royal Assent on 24 March 2005*

INCOME TAX (TRADING AND OTHER INCOME) ACT 2005

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Trading income

Chapter 5: Trade profits: rules allowing deductions

Section 91: Payments to Export Credits Guarantee Department

368. This section allows a trader to deduct the cost of certain payments to the Export Credits Guarantee Department (“ECGD”). It is based on section 88 of ICTA.
369. Section 88 of ICTA refers to payments made under arrangements made by the Secretary of State in pursuance of section 11 of the Export Guarantees and Overseas Investment Act 1978. This section refers instead to arrangements made under section 2 of the Export and Investment Guarantees Act 1991 which replaced the 1978 Act.
370. Section 13(1) of the Export and Investment Guarantees Act 1991 delegates the functions of the Secretary of State under section 2 of the 1991 Act to the ECGD. So the reference to the Secretary of State in section 88 of ICTA is not rewritten in this section.
371. Section 88 of ICTA allows a trader to deduct “sums paid” to the ECGD. This section instead allows a deduction for any “sum payable” by the trader. See *Change 24* in Annex 1.