



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 8

FOREIGN INCOME: SPECIAL RULES

CHAPTER 1

INTRODUCTION

830 Meaning of “relevant foreign income”

- (1) In this Act “relevant foreign income” means income [^{F1}which—
- (a) arises from a source outside the United Kingdom, and
 - (b) is chargeable under any of the provisions specified in subsection (2) (or would be so chargeable if section 832 did not apply to it).]
- (2) The provisions are—
- (a) Chapter 2 of Part 2 (trade profits),
 - (b) Chapter 17 of Part 2 (adjustment income),
 - (c) Chapter 3 of Part 3 (profits of property business),
 - ^{F2}(d)
 - (e) Chapter 2 of Part 4 (interest),
 - (f) Chapter 4 of Part 4 (dividends from non-UK resident companies),
 - (g) Chapter 7 of Part 4 (purchased life annuity payments),
 - (h) Chapter 8 of Part 4 (profits from deeply discounted securities),
 - (i) Chapter 13 of Part 4 (sales of foreign dividend coupons),
 - (j) section 579 (royalties and other income from intellectual property),
 - (k) Chapter 3 of Part 5 (films and sound recordings: non-trading businesses),
 - (l) Chapter 4 of Part 5 (certain telecommunication rights: non-trading income),

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- (m) section 649 (estate income),
 - (n) Chapter 7 of Part 5 (annual payments not otherwise charged), and
 - (o) Chapter 8 of Part 5 (income not otherwise charged).
- (3) But “relevant foreign income” does not include income chargeable as a result ^[F3] of—
- (a) section 844 (unremittable income: income charged on withdrawal of relief after source ceases), or
 - (b) section 517C or 517E of ITA 2007 (profits on certain disposals concerned with land in the United Kingdom treated as trading profits).]
- ^[F4](3A) “Relevant foreign income” does not include income paid in respect of a security, within the meaning of section 138ZB of TCGA 1992, if—
- (a) the security is treated, for the purposes of that Act, as situated in the United Kingdom as a result of section 138ZB of that Act, and
 - (b) that section applies in respect of the security as a result of an issue of shares in or debentures of a company in exchange for, or in respect of, shares in or debentures of another company that is incorporated, and is resident, in the United Kingdom.]
- (4) For the treatment of other income as relevant foreign income, see—
- (a) section 857(3) (a partner's share of a firm's trading income),
 - ^[F5](aa) regulation 19 of the Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001),]
 - (b) paragraph 6(3) of Schedule 3 to the Commonwealth Development Corporation Act 1999 (c. 20) (distributions by the Commonwealth Development Corporation),
 - (c) section 575(3) of ITEPA 2003 (taxable pension income: foreign pensions),
 - (d) section 613(4) of that Act (taxable pension income: foreign annuities),
 - (e) section 631(3) of that Act (pre-1973 pensions paid under the Overseas Pensions Act 1973 (c. 21)),
 - (f) section 635(4) of that Act (taxable pension income: foreign voluntary annual payments), ^{F6} ...
 - (g) section 679(2) of that Act (taxable social security income: foreign benefits).
 - ^[F7](h) section 670A of ITA 2007 (accrued income profits),] ^{F8} ^[F9] ...
 - (i) sections 726, 730 and 735 of that Act (transfer of assets abroad: foreign deemed income)] ^{F10}, and
 - (j) paragraph 46(2) of Schedule 2 to FA 2022 (qualifying asset holding companies).]

Textual Amendments

- F1** Words in s. 830(1) substituted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 51\(2\)](#)
- F2** S. 830(2)(d) omitted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 51\(3\)](#)
- F3** Words in s. 830(3) substituted (with effect in accordance with s. 82 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 79\(11\)](#) (and also with effect in accordance with [Finance \(No. 2\) Act 2017 \(c. 32\)](#), s. 39(1)(2))
- F4** S. 830(3A) inserted (retrospective to 17.11.2022) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 36\(5\)\(6\)](#)
- F5** S. 830(4)(aa) substituted (1.12.2009) (with effect in accordance with art. 1(2)(3) of, Sch. 1 to the amending S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), [regs. 1\(1\)](#), [128\(4\)](#)

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- F6** Word in s. 830(4)(f) omitted (with effect in accordance with Sch. 7 para. 160 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 156\(a\)](#)
- F7** S. 830(4)(h) inserted (with effect in accordance with Sch. 7 para. 160 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 156\(b\)](#)
- F8** Word in s. 830(4) omitted (24.2.2022) by virtue of [Finance Act 2022 \(c. 3\)](#), [Sch. 2 para. 56\(2\)](#)
- F9** S. 830(4)(i) and word inserted (with effect in accordance with Sch. 7 para. 170 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 162](#)
- F10** S. 830(4)(j) and word inserted (24.2.2022) by [Finance Act 2022 \(c. 3\)](#), [Sch. 2 para. 56\(2\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 7A-7D inserted by [2022 c. 3 Sch. 1 para. 3](#)
- s. 31E(4) inserted by [2022 c. 3 Sch. 1 para. 7\(3\)](#)
- s. 649(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 11\(2\)](#)
- s. 679(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(5\)\(b\)](#)
- s. 679A(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(6\)\(b\)](#)
- s. 680(1A) inserted by [2023 c. 30 Sch. 2 para. 11\(7\)\(a\)](#)