

*These notes refer to the Income Tax Act 2007 (c.3)
which received Royal Assent on 20 March 2007*

INCOME TAX ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 15: Deduction of income tax at source

Overview

Chapter 5: Deduction from payments of UK public revenue dividends

Overview

Section 893: Payments of UK public revenue dividends which are payable gross

2691. This section sets out an exception to the general duty to deduct in section 892. It is based on sections 50 and 51(1) of ICTA.
2692. *Subsection (1)* provides that there is no duty to deduct if a payment of interest is made in respect of “gross-paying government securities” and no application has been made for the interest to be paid net of tax.
2693. *Subsection (2)* defines “gross-paying government securities” as being “gilt-edged securities” or securities which are the subject of a Treasury direction.