
Changes to legislation: Finance Act 2008, Cross Heading: Transitional provision is up to date with all changes known to be in force on or before 14 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 7

REMITTANCE BASIS

PART 1

MAIN PROVISIONS

Transitional provision

- 82 (1) This paragraph applies in relation to an individual's general earnings for the tax year 2007-08 or any earlier tax year (“the relevant tax year”) if the individual—
- (a) was UK resident in that year, but
 - (b) was not domiciled in the United Kingdom, or was not ordinarily UK resident, in that year.
- (2) Section 22 or 26 of ITEPA 2003 (as amended by this Part of this Schedule) applies in relation to the general earnings as if—
- (a) section 809B of ITA 2007 (claim for remittance basis to apply) applied to the individual for the relevant tax year, and
 - (b) section 22(7) or 26(6) of ITEPA 2003 were omitted.
- (3) In relation to the general earnings, the definition of “foreign employer” in section 721(1) of ITEPA 2003 has effect as if at the end there were inserted “ and not resident in the Republic of Ireland ”.
- 83 (1) This paragraph applies to an individual's relevant foreign income for the tax year 2007-08 or any earlier tax year (“the relevant tax year”) if—
- (a) the individual made a claim under section 831 of ITTOIA 2005 for the relevant tax year, or
 - (b) section 65(5) of ICTA (or any earlier superseded enactment corresponding to that provision) applied in relation to the individual for the relevant tax year.
- (2) Section 832 of ITTOIA 2005 (as amended by this Part of this Schedule) applies in relation to the relevant foreign income as if section 809B of ITA 2007 (claim for remittance basis to apply) applied to the individual for the relevant tax year.
- (3) But nothing in section 832 of ITTOIA 2005 applies in relation to any of the relevant foreign income that arose in the Republic of Ireland.
- (4) Nothing in section 832A of that Act applies in relation to anything remitted to the United Kingdom in the tax year 2007-08 or any earlier tax year.
- 84 (1) This paragraph applies if section 12 of TCGA 1992 (or any corresponding superseded enactment) applied in relation to a gain accruing to an individual in the tax year 2007-08 or any earlier tax year (“the relevant tax year”).

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- (2) Section 12 of TCGA 1992 (as amended by this Part of this Schedule) applies in relation to that gain as if section 809B of ITA 2007 (claim for remittance basis to apply) applied to the individual for the relevant tax year.
- (3) Nothing in section 10A of TCGA 1992 applies in relation to any part of the gain remitted to the United Kingdom in the tax year 2007-08 or any earlier tax year.
- 85 (1) In section 809E(3)(b) of ITA 2007, the reference to a tax year for which section 809B, 809D or 809E of that Act applies to an individual includes a tax year (not later than the tax year 2007-08) in which the individual—
- (a) was UK resident, but
 - (b) was not domiciled in the United Kingdom or was not ordinarily UK resident.
- (2) In relation to such a tax year, the reference there to the individual's foreign income and gains includes the individual's relevant foreign income if (and only if)—
- (a) the individual made a claim under section 831 of ITTOIA 2005 for the year, or
 - (b) section 65(5) of ICTA (or any earlier superseded enactment corresponding to that provision) applied in relation to the individual for the year.
- 86 (1) Section 809L of ITA 2007 (meaning of “remitted to the United Kingdom”) has effect subject to this paragraph.
- (2) If, before 6 April 2008, property (including money) consisting of or deriving from an individual's relevant foreign income was brought to or received or used in the United Kingdom by or for the benefit of a relevant person, treat the relevant foreign income as not remitted to the United Kingdom on or after that date (if it otherwise would be regarded as so remitted).
- (3) If, before 12 March 2008, property (other than money) consisting of or deriving from an individual's relevant foreign income was acquired by a relevant person, treat the relevant foreign income as not remitted to the United Kingdom on or after 6 April 2008 (if it otherwise would be regarded as so remitted).
- (4) Subject to sub-paragraphs (2) and (3), in relation to an individual's income and chargeable gains for the tax year 2007-08 or any earlier tax year, section 809L has effect as if the references to a relevant person were to the individual.
- [^{F1}(4A) For the purposes of sub-paragraph (4), section 648(2) to (5) of ITTOIA 2005 (and corresponding earlier enactments) do not apply (so that relevant foreign income which arose under a settlement in the tax year 2007-08 or any earlier tax year is to be treated as income for the tax year in which it arose).]
- (5) “Money” has the same meaning as in section 809Y of ITA 2007.

Textual Amendments

F1 Sch. 7 para. 86(4A) inserted (with effect in accordance with Sch. 27 para. 15(1) of the amending Act) by Finance Act 2009 (c. 10), Sch. 27 para. 14

- 87 Section 809N of ITA 2007 (section 809L: gift recipients, qualifying property and enjoyment) has effect in relation to an individual's income and chargeable gains for the tax year 2007-08 or any earlier tax year as if—
- (a) the reference in subsection (2) to a relevant person were to the individual,

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- (b) subsections (3) and (4) were omitted, and
 - (c) the references in subsection (9) to a relevant person, all relevant persons, or relevant persons were to the individual.
- 88 Section 809O of ITA 2007 (section 809L: dealings where there is a connected operation) has effect in relation to an individual's income and chargeable gains for the tax year 2007-08 or any earlier tax year as if—
 - (a) subsection (2) were omitted, and
 - (b) the references in subsections (4) and (6) to a relevant person, all relevant persons, or relevant persons were to the individual.
- 89 Sections 809Q to 809S of ITA 2007 (transfers from mixed funds) do not apply for the purposes of determining whether income or chargeable gains for the tax year 2007-08 or any earlier tax year are remitted to the United Kingdom (or the amount of any such income or chargeable gains so remitted).
- 90 (1) This paragraph applies if—
 - (a) before 12 March 2008, money was lent to an individual outside the United Kingdom,
 - (b) the loan was made for the purpose of enabling the individual to acquire an interest in residential property in the United Kingdom (and for no other purpose), and
 - (c) before 6 April 2008—
 - (i) the money was received in the United Kingdom,
 - (ii) the individual used the money to acquire an interest in residential property in the United Kingdom (“the interest”), and
 - (iii) repayment of the debt for the money (“the debt”), or of payments made under a guarantee of that repayment (“the guarantee”), was secured on the interest.

(2) Relevant foreign income of the individual used outside the United Kingdom before 6 April 2008 to pay interest on the debt is treated as not remitted to the United Kingdom.

(3) If, at any time on or after 12 March 2008—
 - (a) any term upon which the loan was made, or any term of the guarantee, is varied or waived,
 - (b) repayment of the debt, or of payments made under the guarantee, ceases to be secured on the interest,
 - (c) repayment of any other debt is secured on the interest or is guaranteed by the guarantee, or
 - (d) the interest ceases to be owned by the individual,sub-paragraph (2) does not apply in relation to relevant foreign income used as mentioned there after that time.

(4) If—
 - (a) before 12 March 2008, money was lent to the individual outside the United Kingdom (“the subsequent loan”),
 - (b) the subsequent loan was made for the purpose of enabling the individual to repay—
 - (i) the loan mentioned in sub-paragraph (1), or

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- (ii) another loan in relation to which sub-paragraphs (2) and (3) apply (by virtue of this sub-paragraph),
- and for no other purpose, and
- (c) before 6 April 2008—
 - (i) the individual used the money to repay the loan referred to in paragraph (b)(i) or (ii), and
 - (ii) repayment of the subsequent loan, or of payments made under a guarantee of that repayment, was secured on the interest,
 sub-paragraphs (2) and (3) apply in relation to the subsequent loan (and for this purpose references there to the debt or the loan are to be read as references to the subsequent loan).
- (5) In this paragraph “residential property” has the same meaning as in Part 4 of FA 2003 (see section 116 of that Act).
- (6) In this paragraph “guarantee” includes an indemnity, and “guaranteed” is to be read accordingly.
- 91 (1) This paragraph applies in relation to employment-related securities if—
 - (a) the date of the acquisition is on or after 6 April 2008 and on or before 31 July 2008, and
 - (b) Chapter 2 of Part 7 of ITEPA 2003 (restricted securities) applies in relation to the securities by virtue only of amendments made by this Schedule.
- (2) Section 431 of ITEPA 2003 (election for full or partial disapplication of Chapter) has effect in relation to the employment-related securities as if in subsection (5)(b) for “more than 14 days after the acquisition” there were substituted “ after 14 August 2008 ”.

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

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

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

- Sch. 41 para. 6(1A) inserted by [2015 c. 11 Sch. 20 para. 10\(2\)](#)
- Sch. 41 para. 6A(A1)(1) substituted for Sch. 41 para. 6A(1) by [2015 c. 11 Sch. 20 para. 11\(2\)](#)