

SCHEDULES

SCHEDULE 7

HYBRID AND OTHER MISMATCHES

Meaning of “tax” etc and treatment of cases where tax charged at a nil rate

- 2 In section 259B (“tax” means certain taxes on income and includes foreign tax etc)—
- (a) after subsection (3) insert—
 - “(3A) The payment of any withholding tax in respect of any amount is to be ignored for the purposes of this Part.”, and
 - (b) at the end insert—
 - “(5) In any case where—
 - (a) a person is resident in a territory outside the United Kingdom generally for the purposes of the law of the territory or for particular purposes under that law, and
 - (b) the law of the territory has no provision for a person to be resident for tax purposes under its law,any reference in Chapter 8 or 11 to a person’s residence for tax purposes in the territory is to be read as a reference to the person’s residence as mentioned in paragraph (a).”