
STATUTORY INSTRUMENTS

1985 No. 1702

INCOME TAX

**The Income Tax (Composite Rate) (Non-residents) Regulations
1985**

<i>Made - - - -</i>	<i>4th November 1985</i>
<i>Laid before the House of Commons</i>	<i>7th November 1985</i>
<i>Coming into Operation</i>	<i>6th April 1986</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by paragraph 3A of Schedule 8 to the Finance Act 1984^(a), hereby make the following Regulations:—

1. These Regulations may be cited as the Income Tax (Composite Rate) (Non-residents) Regulations 1985 and shall come into operation on 6th April 1986.
2. Every declaration in writing to a deposit-taker under paragraph 3(3)(h)(i) of Schedule 8 to the Finance Act 1984 which is in a form prescribed or authorised by the Board under the provisions of paragraph 3(4A) of that Schedule, which does not include the address of the person making it, must be supported by a certificate by the deposit-taker in accordance with Regulation 3 below.
3. The certificate—
 - (a) shall contain the deposit-taker's full name and address;
 - (b) shall be signed by, or by a duly authorised signatory on behalf of, the deposit-taker;
 - (c) shall state the signatory's office and that he is authorised so to sign;
 - (d) shall contain a sufficient description or other identification of each related declaration;
 - (e) shall contain a statement that to the best of his knowledge and belief the deposit-taker is satisfied that each individual to whom the declaration and certificate relates is not ordinarily resident in the United Kingdom;
 - (f) shall contain a statement that each related declaration includes the undertaking required by paragraph 3(4) of the said Schedule 8;
 - (g) shall be made without delay after the receipt of the related declaration and in any event before the first payment or credit of interest in respect of the deposit.
4. Where the certificate is not in the form prescribed by the Board it shall not be valid for the purposes of these Regulations unless it is in a form authorised by the Board for those purposes.

^(a) 1984 c.43; paragraph 3A and paragraph 3(4A) were inserted in Schedule 8 by section 38 of the Finance Act 1985 (c.54) which made other amendments to that Schedule including the addition of the provision (under paragraph 3A(2)(b)) of power to regulate generally for giving effect to section 27 of and Schedule 8 to the Finance Act 1984.

5. When the deposit-taker is in possession of information which can reasonably be taken to indicate that a deposit to which such a certificate relates is or may be a relevant deposit, by reason that a person beneficially entitled to interest thereon is ordinarily resident in the United Kingdom, the certificate shall no longer be valid for the purposes of these Regulations and he shall thereupon treat that deposit as a relevant deposit.

6. (a) A deposit-taker shall, on being so required by notice given to him in writing by an inspector, make any certificate within the meaning of Regulation 2 above and any declaration to which the notice refers available for inspection by the inspector or by a named officer of the Board within such time as may be specified in the notice.

(b) The inspector or officer to whom they are to be made available shall be entitled to take copies of, or make extracts from, any declaration or certificate.

7. A notice under Regulation 6 may be combined with a notice given under paragraph 3(5) of Schedule 8 to the Finance Act 1984.

8. Every declaration and every certificate shall be preserved by the deposit-taker in such manner as may be approved by the Board until three years after the deposit has been repaid or has become a relevant deposit.

A. J. G. Isaac,
A. M. W. Battishill,
Two of the Commissioners
of Inland Revenue.

4th November 1985.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations make provision for the form and content of the certificate which a deposit-taker is required to give in support of a declaration that the beneficial owner of a deposit made with him is not ordinarily resident in the United Kingdom. For such persons the scheme, introduced by the Finance Act 1984 whereby on a payment of interest on certain deposits ("relevant deposits") the deposit-taker has to account for an amount representing income tax, does not apply.

Regulation 1 provides the title to the Regulations and for their commencement on 6th April 1986.

Regulation 2 introduces the need for a validating certificate where a non-resident depositor makes the necessary declaration without giving his address.

Regulation 3 provides for the requirements of the certificate.

Regulation 4 provides that the certificate, to be valid, has to be in a form prescribed or authorised by the Board.

Regulation 5 provides that if the deposit-taker is in possession of information which can reasonably be taken to indicate that a deposit is a relevant deposit he must so treat it. He will then, when paying or crediting interest, have to account for and pay to the Revenue an amount representing income tax at the composite rate.

Regulation 6 makes provision for the inspector or other officer of the Revenue to inspect declarations and certificates and to take copies and make extracts from them.

Regulation 7 provides that a notice under these Regulations may be combined with a general notice to inspect declarations under the statutory provisions.

Regulation 8 provides that deposit-takers must keep declarations and certificates for 3 years after the deposit has been repaid or has become a relevant deposit in a manner approved by the Board. This provision will enable the Board to approve suitable microfilm records.

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