

1989 No. 36

**INCOME TAX**

**The Income Tax (Building Societies)  
(Amendment) Regulations 1989**

*Made - - - - - 12th January 1989*  
*Laid before the House of Commons 13th January 1989*  
*Coming into force - - - - 6th February 1989*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 476(1) of the Income and Corporation Taxes Act 1988(a), hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Building Societies) (Amendment) Regulations 1989 and shall come into force on 6th February 1989.

**Interpretation**

2. In these Regulations the "1986 Regulations" means the Income Tax (Building Societies) Regulations 1986(b).

**Amendments to the 1986 Regulations**

3. In Regulation 2(1) of the 1986 Regulations—

(a) after the definition of "exempt pension fund" there shall be inserted—

" "general client account deposit" means a deposit, held by a building society in a client account (other than one which is identified by the building society as one in which sums are held only for one or more particular clients of the person whose account it is) in respect of which that person is required by provision made under any enactment to make payments representing interest to some or all of the clients for whom, or on whose account, he received the sums deposited in the account;"; and

(b) in the definition of "qualifying time deposit" in paragraph (b) for the words "before the end of the period of twelve months" there shall be substituted "not later than the end of the period of five years".

4. In Regulation 6(1) of the 1986 Regulations—

(a) after paragraph (g) there shall be inserted—

"(gg) a payment of interest made to a building society on a loan made by a building society;"; and

(b) after paragraph (h) there shall be inserted—

"(hh) a payment in respect of a general client account deposit;".

*A. J. G. Isaac  
T. J. Painter*

12th January 1989

Two of the Commissioners of Inland Revenue

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations, which come into force on 6th February 1989, further amend the Income Tax (Building Societies) Regulations 1986 ("the 1986 Regulations").

Regulation 1 provides for citation and commencement and regulation 2 for interpretation.

Regulation 3 amends Regulation 2(1) of the 1986 Regulation in two respects: paragraph (a) inserts a definition of "general client account deposit" and paragraph (b) amends the definition of "qualifying time deposit" by increasing the maximum specified period before the expiration of which the loan must be repaid from one of less than twelve months beginning on the date the deposit is made to one of five years beginning on that date.

Regulation 4 amends Regulation 6(1) of the 1986 Regulations (gross payments) so that a payment of interest made to a building society by a building society on a loan made by a building society may be a gross payment and so that a gross payment may be made in respect of a general client account deposit.

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