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STATUTORY INSTRUMENTS

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**1993 No. 1957**

**INCOME TAX**

**The Double Taxation Relief (Taxes on Income) (General)  
(Manufactured Overseas Dividends) Regulations 1993**

*Made - - - - 2nd August 1993*

*Coming into force - - 1st October 1993*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 791 of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

1. These Regulations may be cited as the Double Taxation Relief (Taxes on Income) (General) (Manufactured Overseas Dividends) Regulations 1993 and shall come into force on 1st October 1993.

2. In these Regulations—

“the Board” means the Commissioners of Inland Revenue;

“manufactured overseas dividend” shall be construed in accordance with paragraph 4(1) of Schedule 23A to the Taxes Act(2);

“the Taxes Act” means the Income and Corporation Taxes Act 1988.

3.—(1) Subject to the conditions specified in paragraphs (2) to (5) below, the Board may make arrangements with the payer of a manufactured overseas dividend enabling the payment to be made without deduction of United Kingdom tax.

(2) The condition specified in this paragraph is that the person beneficially entitled to the manufactured overseas dividend is resident in a territory with the government of which the United Kingdom has made arrangements having effect under section 788 of the Taxes Act, and is not resident in the United Kingdom.

(3) The condition specified in this paragraph is that the arrangements referred to in paragraph (2) above provide for exemption from United Kingdom tax in respect of the payment under an article of the arrangements dealing with income not expressly mentioned in other articles of those arrangements.

(4) The condition specified in this paragraph is that the payer of the manufactured overseas dividend either—

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(1) 1988 c. 1.

(2) Schedule 23A was inserted by section 58(2) of, and paragraph 1 of Schedule 13 to, the Finance Act 1991 (c. 31).

- (a) is in possession of—
    - (i) a certificate given by the person beneficially entitled to the manufactured overseas dividend, on a form provided or authorised by the Board, in which that person certifies that he is beneficially entitled to the manufactured overseas dividend, and
    - (ii) a certificate given on the same form by the tax authority of the overseas government concerned, in which the authority certifies that the person beneficially entitled to the payment is resident in the territory of that government and, where the article of the arrangements referred to in paragraph (3) above requires as a condition of exemption that the person beneficially entitled to the payment is subject to tax in that territory in respect of the payment, that he is so subject to tax, or
  - (b) has received authorisation in writing from the Board to make the payment without deduction of tax.
- (5) The condition specified in this paragraph is that the payer of the manufactured overseas dividend gives a written undertaking to the Board that he will account for and pay to the Board any tax which it is subsequently discovered was liable to be deducted from the payment under paragraph 4(2) of Schedule 23A to the Taxes Act but which was not so deducted.

2nd August 1993

*A M W Battishill*  
*L J H Beighton*  
Two of the Commissioners of Inland Revenue

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## EXPLANATORY NOTE

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

These Regulations, which come into force on 1st October 1993, are made under section 791 of the Income and Corporation Taxes Act 1988. The Regulations provide that the Board may make arrangements enabling a manufactured overseas dividend (within the meaning given by paragraph 4(1) of Schedule 23A to the 1988 Act) to be paid without deduction of income tax if the person beneficially entitled to the payment is resident in an overseas territory with which the United Kingdom has made arrangements for the relief of double taxation which provide for exemption from United Kingdom tax in respect of such income, and if certain other conditions are satisfied.