
STATUTORY INSTRUMENTS

1995 No. 3224

**The Gilt-edged Securities (Periodic Accounting
for Tax on Interest) Regulations 1995**

Payments on account and special returns—relevant companies which are building societies

14.—(1) This regulation applies in the case of a relevant company which is a building society.

(2) Each year, the company shall, on or before 14th March, make a special return to an officer of the Board, in such form as the Board may prescribe or approve, in respect of a period consisting of the month of March (“the special return period”) showing, subject to paragraphs (4) to (7) below, the amount of income tax at the basic rate for the relevant year of assessment on the amount of excess gilt interest received for which the company will be accountable under these Regulations for the special return period, computed to the best of the company’s judgment (the “payment on account”).

(3) The payment on account shall be due at the time by which the special return is to be made, and sub-paragraphs (a) and (b) of regulation 16(1) shall apply to the sum so due.

(4) The payment on account shall be computed without reference—

- (a) to any claim which the company may be entitled to make pursuant to paragraph 5 of Schedule 16, or
- (b) to any set off which the company may be entitled to claim pursuant to regulation 10 or 11.

(5) In a case where an accounting period of the company (“the earlier accounting period”) ends during March (otherwise than at the end of the month) the payment on account shall be separately computed in relation to—

- (a) the final return period for the earlier accounting period (“the earlier period”), and
- (b) a period beginning immediately after the end of the earlier accounting period and ending at the end of March (“the later period”).

(6) Where paragraph (5) above applies—

- (a) the amount of tax for which the company is accountable under these Regulations for the earlier period is referred to in this regulation as “the earlier relevant amount of tax” and the amount of tax for which the company is accountable under these Regulations for the later period is referred to in this regulation as “the later relevant amount of tax”, and
- (b) for the purposes of these Regulations “the relevant amount of tax” means, subject to paragraph (8) below, the aggregate of the earlier relevant amount of tax and the later relevant amount of tax.

(7) Where, by 14th April, no part of the payment on account has been paid, the company shall be treated as having computed, to the best of its judgment, that the amount of income tax at the basic rate for the relevant year of assessment on the amount of excess gilt interest received for which the company will be accountable under these Regulations for the special return period is zero.

(8) Where, in relation to a special return period in a case where paragraph (5) above applies, no part of the payment on account has been paid by the due date in relation to the earlier period but a payment on account has been paid by the due date in relation to the later period—

- (a) the company shall be treated, in relation to the earlier period as having computed, to the best of its judgment, that the amount of income tax for the relevant year of assessment on the amount of excess gilt interest received for which the company will be accountable under these Regulations for the earlier period is zero,
 - (b) to the extent that the payment on account has been paid before the due date for the later period, it shall, accordingly, be set against the later relevant amount of tax, and
 - (c) for the purposes of these Regulations “the relevant amount of tax” means the later relevant amount of tax.
- (9) Subject to paragraph (10) below, the company shall, by 14th April, make a further special return to an officer of the Board (a “special reconciliation return”) in respect of the period specified in paragraph (11) below (“the special reconciliation return period”).
- (10) Paragraph (9) above does not apply where—
- (a) an accounting period of the company ends at the end of March, or
 - (b) the company is not accountable for any income tax under these Regulations for the special reconciliation return period and the company has not made a payment on account—
 - (i) in a case where paragraph (5) above applies, in respect of the later period, or
 - (ii) in a case where paragraph (5) above does not apply, in respect of the special return period.
- (11) The special reconciliation return period is—
- (a) in a case where an accounting period of the company ends during March (otherwise than at the end of the month), a period beginning immediately after the end of that accounting period and ending at the end of March, and
 - (b) in any other case, a period consisting of the month of March.
- (12) The special reconciliation return shall show—
- (a) the amounts specified in regulation 6 in respect of the special reconciliation return period, and
 - (b) the amount of income tax at the basic rate for the relevant year of assessment on the amount of excess gilt interest received for which the company is accountable under these Regulations for the special reconciliation return period in respect of payments of interest on relevant gilt-edged securities made to it without deduction of tax.
- (13) Where, in relation to a special return period in a case where paragraph (5) above applies, the payment on account, to the extent that it has been paid before the due date for the earlier period, shall be set against the earlier relevant amount of tax and the later relevant amount of tax.
- (14) Where, in relation to a special return period in a case where paragraph (5) above does not apply, the payment on account, to the extent that it has been paid before 14th April, shall be set against the amount of tax for which the company is accountable under these Regulations for the special reconciliation return period; and for the purposes of these Regulations “the relevant amount of tax” means that amount of tax.
- (15) If the amount of the payment on account paid exceeds the relevant amount of tax, the amount of the excess shall be repayable.
- (16) An amount of income tax for which the company is accountable under these Regulations in respect of the special reconciliation return period and which has been paid by the due date for the return for the next return period shall be set against the amount of income tax for which the company is accountable under these Regulations for the next return period.

(17) Where the amount of income tax paid in respect of the special reconciliation return period exceeds the amount of income tax for which the company is accountable under these Regulations for the next return period, the excess shall be repayable.