
STATUTORY INSTRUMENTS

1997 No. 2705

INCOME TAX

The Income Tax (Paying and Collecting Agents) (Amendment) Regulations 1997

Made - - - - *14th November 1997*
Laid before the House of
Commons - - - - *18th November 1997*
Coming into force - - *9th December 1997*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by sections 118A(n), 118E(5), 118G(2) and (4)(g) and (i), 118H(1) and (3), 118I, 118J(3) and 118K of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Paying and Collecting Agents) (Amendment) Regulations 1997 and shall come into force on 9th December 1997.

Interpretation

2. In these Regulations “the principal Regulations” means the Income Tax (Paying and Collecting Agents) Regulations 1996(2) and “regulation” means a regulation of the principal Regulations.

Amendments to the principal Regulations

3.—(1) Regulation 2(1) shall be amended as follows.

(2) After the definition of “the Board” there shall be inserted the following definitions—

““charitable unit trust scheme” has the meaning given by regulation 2(1) of the Income Tax (Definition of Unit Trust Scheme) Regulations 1988(3);

“common investment fund” has the meaning given by regulation 2D(2);”.

(3) In the definition of “eligible person”—

(1) 1988 c. 1; sections 118A to 118K were inserted as Chapter VIIA of Part IV of the Income and Corporation Taxes Act 1988 by paragraph 1 of Schedule 29 to the Finance Act 1996 (c. 8) and were modified in relation to manufactured overseas dividends by regulation 12 of S.I. 1993/2004 (as amended by S.I. 1996/1229 and 2643 and 1997/2706).
(2) S.I. 1996/1780.
(3) S.I. 1988/267; relevant amending instruments are S.I. 1992/3133 and 1994/1479.

- (a) after paragraph (b) there shall be inserted the following paragraph—
- “(ba) a trustee or the manager of a charitable unit trust scheme falling within paragraph (d) of that subsection,”;
- (b) the word “or” immediately following paragraph (d) shall be omitted, and after paragraph (e) there shall be added the following paragraphs—
- “(f) a person who is entitled to relief from tax in respect of relevant payments and relevant receipts falling within regulation 2A,
- (g) where the relevant payment or relevant receipt falls within regulation 2B, the plan manager concerned,
- (h) where the relevant payment or relevant receipt falls within regulation 2C, the trustee or the manager of the pension funds pooling scheme concerned,
- (i) where the relevant payment or relevant receipt falls within regulation 2D, a trustee or the investment manager of the common investment fund concerned,
- (j) where the relevant payment or relevant receipt falls within regulation 2E, any person entitled to immunity or exemption from income tax as mentioned in that regulation,
- (k) a local authority in the United Kingdom, a local authority association within the meaning given by section 519(3) and a health service body within the meaning given by section 519A(2)(4),
- (l) where the relevant receipt falls within regulation 2J, the person referred to in that regulation,
- (m) where the relevant receipt falls within regulation 2K, the bank referred to in that regulation, or
- (n) where the relevant receipt falls within regulation 2L, a trustee of the qualifying discretionary or accumulation trust referred to in that regulation;”.
- (4) After the definition of “eligible person” there shall be inserted the following definitions—
- ““manufactured overseas dividend” means a manufactured overseas dividend (within the meaning given by paragraph 4(1) of Schedule 23A(5)) to which regulation 12(1) of the Manufactured Overseas Dividends Regulations applies, except that it does not include a payment that is treated under section 737A(5)(6) as having been made;
- “the Manufactured Overseas Dividends Regulations” means the Income Tax (Manufactured Overseas Dividends) Regulations 1993(7);”.
- (5) After the definition of “notice” there shall be inserted the following definitions—
- ““pension funds pooling scheme” has the meaning given by regulation 2C(2);
- “plan manager” shall be construed in accordance with regulation 2B(2);”.
- (6) After the definition of “the principal sections” there shall be inserted the following definition—

(4) Section 519A was inserted by section 61(1) of the National Health Service and Community Care Act 1990 (c. 19), and was amended by the Health and Personal Social Services (Northern Ireland Consequential Amendments) Order 1991 (S.I. 1991/195 (N.I.)) and paragraph 114 of Schedule 1, and Schedule 3, to the Health Authorities Act 1995 (c. 17).

(5) Schedule 23A was inserted by paragraph 1 of Schedule 13 to the Finance Act 1991 (c. 31). Paragraph 4 of Schedule 23A was amended by section 159(4) to (6) of the Finance Act 1996 and by paragraph 28(2) of Schedule 7, paragraph 52(4) of Schedule 14, paragraph 7 of Schedule 29 and Part V(21) of Schedule 41, to that Act.

(6) Section 737A was inserted by section 122 of the Finance Act 1994 (c. 9) and amended by Part VI(10) of Schedule 18 to the Finance Act 1997 (c. 16).

(7) S.I. 1993/2004; relevant amending instruments are S.I. 1996/1229 and 2643 and 1997/2706.

““qualifying discretionary or accumulation trust” shall be construed in accordance with section 118G(5)(8);”.

4. In regulation 2(2)—

- (a) after the words “particular section” there shall be inserted the words “or Schedule”;
- (b) after the words “that section of” there shall be inserted the words “, or that Schedule to,”.

5. After regulation 2(2) there shall be added—

“(3) Unless the context otherwise requires, references in these Regulations to relevant receipts or chargeable receipts include references to manufactured overseas dividends to which, by virtue of regulation 12 of the Manufactured Overseas Dividends Regulations, the provisions of the principal sections relating to collecting agents apply.”

6. After regulation 2 there shall be inserted—

“Non-chargeability of relevant payments or relevant receipts: excluded payments and receipts

Superannuation funds within section 615(6)

2A.—(1) Relevant payments and relevant receipts which constitute income derived from investments, deposits or other property of a superannuation fund are relevant payments and relevant receipts of a description which is prescribed for the purposes of section 118G(4)(i).

(2) In paragraph (1) the reference to a superannuation fund is a reference to a superannuation fund which either—

- (a) falls within subsection (6) of section 615, or
- (b) is before the Board in order for them to decide whether the superannuation fund falls within that subsection.

Personal equity plans

2B.—(1) Relevant payments and relevant receipts which constitute income derived from investments held under a plan set up by a plan manager are relevant payments and relevant receipts of a description which is prescribed for the purposes of section 118G(4)(i).

(2) In paragraph (1) “plan” and “plan manager” shall be construed in accordance with section 333(9) and the Personal Equity Plan Regulations 1989(10).

Pension funds pooling schemes

2C.—(1) Relevant payments and relevant receipts which constitute income derived from investments of a pension funds pooling scheme are relevant payments and relevant receipts of a description which is prescribed for the purposes of section 118G(4)(i).

(2) In paragraph (1) “pension funds pooling scheme” has the meaning given by regulation 2(1) of the Income Tax (Pension Funds Pooling Schemes) Regulations 1996(11).

(8) Section 118G(5) was amended by Part VI(7) of Schedule 18 to the Finance Act 1997.

(9) Section 333 was amended by section 70 of the Finance Act 1991.

(10) S.I. 1989/469, amended by S.I. 1990/678, 1991/733 and 2774, 1992/623, 1993/756, 1995/1539 and 3287, 1996/846 and 1355 and 1997/511 and 1716.

(11) S.I. 1996/1585.

Common investment funds

2D.—(1) Relevant payments and relevant receipts which constitute income derived from investments of a common investment fund, being income falling within section 328(1)(a), are relevant payments and relevant receipts of a description which is prescribed for the purposes of section 118G(4)(i).

(2) In paragraph (1) “common investment fund” means a common investment fund established under section 42 of the Administration of Justice Act 1982⁽¹²⁾ which is for the time being designated under section 328(1).

Diplomatic and consular immunity

2E.—(1) Relevant payments and relevant receipts to which, at the chargeable date, a person is beneficially entitled who—

- (a) beneficially owns at that date the relevant holdings from which those payments and receipts are derived, and
- (b) by virtue of any of the enactments specified in paragraph (3), is entitled at that date to exemption or immunity from income tax in respect of income having its source outside the United Kingdom,

are relevant payments and relevant receipts of a description which is prescribed for the purposes of section 118G(4)(i).

(2) A relevant receipt consisting of a manufactured overseas dividend to which, at the chargeable date, a person is beneficially entitled who, by virtue of any of the enactments specified in paragraph (3), is entitled at that date to exemption or immunity from income tax in respect of income having its source outside the United Kingdom, is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

(3) The enactments specified are—

- (a) the Diplomatic Privileges Act 1964⁽¹³⁾;
- (b) the Consular Relations Act 1968⁽¹⁴⁾;
- (c) the Commonwealth Countries and Republic of Ireland (Immunities and Privileges) Order 1985⁽¹⁵⁾;
- (d) section 320;
- (e) section 322⁽¹⁶⁾.

Companies in the same group

2F.—(1) A relevant receipt in relation to which a company is a collecting agent for another company in the circumstances specified in paragraph (2) is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

(2) The circumstances specified are where—

- (a) both companies belong to the same group of companies, and
- (b) a company belonging to the same group of companies—

⁽¹²⁾ 1982 c. 53.

⁽¹³⁾ 1964 c. 81.

⁽¹⁴⁾ 1968 c. 18.

⁽¹⁵⁾ S.I. 1985/1983.

⁽¹⁶⁾ Section 322 was amended by paragraph 4(1) of Schedule 14 to the Finance Act 1990 (c. 29) and by paragraph 15 of Schedule 7, and Part V(2) of Schedule 41, to the Finance Act 1996.

- (i) where the relevant receipt is a manufactured overseas dividend, is beneficially entitled to that relevant receipt, or
- (ii) in any other case is both the beneficial owner of the relevant holdings from which the relevant receipt derives and is beneficially entitled to that relevant receipt.

(3) In paragraph (2) “group” means a company which has one or more 51 per cent. subsidiary companies together with that or those subsidiaries.

(4) In paragraph (3) “51 per cent. subsidiary” shall be construed in accordance with section 838(1)(a).

Local authorities and health service bodies

2G.—(1) The persons specified in paragraph (2), being persons exempt from income tax and corporation tax under section 519(17) or 519A, are persons who are prescribed for the purposes of section 118G(4)(g).

(2) The persons specified are—

- (a) a local authority in the United Kingdom;
- (b) a local authority association within the meaning given by section 519(3);
- (c) a health service body within the meaning given by section 519A(2).

Manufactured overseas dividends—local authorities and health service bodies

2H. A relevant receipt consisting of a manufactured overseas dividend to which, at the chargeable date, any of the persons specified in regulation 2G(2) is beneficially entitled, is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

Manufactured overseas dividends—non-resident recipients

2J. A relevant receipt consisting of a manufactured overseas dividend to which, at the chargeable date, a person who is not resident in the United Kingdom is beneficially entitled, is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

Manufactured overseas dividends—banks resident in the United Kingdom

2K. A relevant receipt consisting of a manufactured overseas dividend which is representative of a foreign dividend in the form of interest and to which, at the chargeable date, a bank which is resident in the United Kingdom is beneficially entitled, is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

Manufactured overseas dividends—qualifying discretionary or accumulation trusts

2L. A relevant receipt consisting of a manufactured overseas dividend which arises to the trustees of a qualifying discretionary or accumulation trust in their capacity as such is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

Manufactured overseas dividends paid directly or indirectly to a recognised clearing system

2M.—(1) A relevant receipt consisting of a manufactured overseas dividend which is paid or accounted for by a collecting agent directly to a recognised clearing system is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

(2) Subject to regulation 3A, a relevant receipt consisting of a manufactured overseas dividend which is paid or accounted for by a collecting agent to, or at the direction of, a depository for a recognised clearing system is a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

Relevant receipts corresponding to manufactured overseas dividends

2N.—(1) A relevant receipt in relation to which a person is a collecting agent on behalf of an overseas dividend manufacturer in the circumstances specified in paragraph (2) is, to the extent specified in paragraph (3), a relevant receipt of a description which is prescribed for the purposes of section 118G(4)(i).

(2) The circumstances specified in this paragraph are where the relevant receipt—

(a) is in respect of a relevant holding to which a manufactured overseas dividend paid by the overseas dividend manufacturer or by the collecting agent on behalf of the overseas dividend manufacturer relates, and

(b) is in respect of the same dividend date as that manufactured overseas dividend.

(3) The extent specified in this paragraph is so much of the amount of the relevant receipt as is in respect of the relevant holding to which the manufactured overseas dividend relates.”

7. After regulation 3 there shall be inserted the following regulation—

“Declaration by depository for recognised clearing system—manufactured overseas dividends

3A.—(1) Subsection (1) of section 118G shall not apply as regards a relevant receipt to which regulation 2M(2) applies unless the condition prescribed by paragraph (2) is fulfilled.

(2) The condition prescribed is that the depository referred to in regulation 2M(2) has made a declaration to the collecting agent concerned, in the form required by the Board, containing the information specified in paragraph (3) and the undertaking specified in paragraph (4).

(3) The information specified is—

(a) the full name of the recognised clearing system;

(b) the full name of the depository;

(c) the address of the principal place of business of the depository;

(d) the full name of the collecting agent to whom the declaration is made;

(e) a statement by the depository that the relevant receipts payable by the collecting agent, or for which the collecting agent is accountable, are payable or accountable to or at the direction of the depository in his capacity as depository for the recognised clearing system;

(f) a statement by the depository that the information contained in the declaration is correct to the best of his knowledge and belief.

(4) The undertaking specified is an undertaking that the depositary will notify the collecting agent to whom the declaration is made of any relevant receipts to which the declaration does not apply, or has ceased to apply.

(5) A declaration under paragraph (2) shall be signed by an officer of the depositary authorised for that purpose, stating the capacity in which he signs.

(6) A declaration under paragraph (2) shall have effect in relation to any relevant receipts arising to the depositary that are paid or accounted for by the collecting agent after the declaration is made to the agent, unless and until the agent—

- (a) receives a notification relating to those receipts in accordance with the undertaking contained in the declaration,
- (b) receives a notice from the Board under regulation 10(2) relating to those receipts, or
- (c) has reason to believe, by reference to information in his possession, that the declaration is, or has become, incorrect as respects those receipts.”

8. In regulation 4—

(a) in paragraph (1) for the words from “other” to “applies” there shall be substituted the words “other than a relevant payment falling within paragraph (1A) or a relevant receipt falling within paragraph (1B)”;

(b) after paragraph (1) there shall be inserted the following paragraphs—

“(1A) A relevant payment falls within this paragraph if it is a relevant payment to which section 118G(4)(f) applies.

(1B) A relevant receipt falls within this paragraph if it is—

- (a) a relevant receipt arising to a charitable unit trust scheme within section 118G(4)(d) in circumstances where the collecting agent is a trustee or the manager of that scheme;
- (b) a relevant receipt to which section 118G(4)(f) applies;
- (c) a relevant receipt to which regulation 2F, 2M or 2N applies; or
- (d) a relevant receipt falling within regulation 2B, 2C or 2D in relation to which the eligible person is a collecting agent.”

9. In regulation 6—

(a) in paragraph (2)(d) for the words from “paragraph” to “apply” there shall be substituted the words “none of the relevant provisions applies”;

(b) after paragraph (4) there shall be added the following paragraph—

“(5) In paragraph (2)(d) “the relevant provisions” means—

- (a) paragraphs (a) to (e) and (j) of section 118G(4), and
- (b) regulations 2A to 2E and 2G to 2L.”

10. After regulation 6 there shall be inserted the following regulations—

“Declaration by overseas dividend manufacturer

6A.—(1) Subject to paragraph (2), subsection (1) of section 118G shall not apply as regards a relevant receipt to which regulation 2N applies, unless the overseas dividend manufacturer referred to in that regulation has made a declaration to the collecting agent concerned relating to that receipt.

(2) Paragraph (1) shall not apply where the manufactured overseas dividend referred to in regulation 2N is paid by the collecting agent on behalf of the overseas dividend manufacturer.

(3) Subject to paragraphs (4) and (5), a declaration under paragraph (1) shall be regarded as relating to a relevant receipt if—

- (a) the chargeable date for the receipt falls—
 - (i) in the month in which the declaration is made to the collecting agent, or
 - (ii) where the declaration is made within the period of 14 days commencing with the first day of a month, in the preceding month; or
- (b) the receipt is received or arises after the end of the month in which the declaration is made.

(4) A declaration under paragraph (1) shall not be regarded as relating to a relevant receipt if, prior to receipt of the declaration, the collecting agent to whom it is made has furnished a certificate under section 118E(4) with respect to that receipt.

(5) A declaration under paragraph (1) shall not be regarded as relating to a relevant receipt if the collecting agent—

- (a) receives a notification relating to that receipt in accordance with the undertaking contained in the declaration,
- (b) receives a notice from the Board under regulation 10(2) relating to that receipt, or
- (c) has reason to believe, by reference to information in his possession, that the declaration is, or has become, incorrect as respects that receipt.

Declaration by overseas dividend manufacturer—additional provisions

6B.—(1) A declaration by an overseas dividend manufacturer under regulation 6A shall be in the form prescribed, or in a form authorised, by the Board, and shall contain the information specified in paragraph (2) and the undertaking specified in paragraph (3).

(2) The information specified is—

- (a) the full name of the overseas dividend manufacturer;
- (b) the principal address of the overseas dividend manufacturer, that is to say—
 - (i) where the overseas dividend manufacturer is an individual, or a trustee other than a corporate or a professional trustee, his principal residential address,
 - (ii) where the overseas dividend manufacturer is a body corporate (including a corporate trustee), the address of its registered office or principal place of business,
 - (iii) where the overseas dividend manufacturer is a professional trustee, the address of his employment or principal place of business;
- (c) the full name of the collecting agent to whom the declaration is made;
- (d) a statement that the circumstances specified in regulation 2N(2) are satisfied with respect to the relevant receipt in question;
- (e) details of the foreign holding to which the relevant receipt relates and, where the circumstances specified in regulation 2N(2) are satisfied with respect to a part of the relevant receipt, details of the part of the foreign holding to which the manufactured overseas dividend paid by the overseas dividend manufacturer relates;

- (f) a statement that the information contained in the declaration is correct to the best of the overseas dividend manufacturer's knowledge and belief.
- (3) The undertaking specified is an undertaking that the overseas dividend manufacturer will notify the collecting agent to whom the declaration is made of any relevant receipts to which the declaration does not apply.
- (4) A declaration under paragraph (1) shall be signed—
 - (a) where the overseas dividend manufacturer is an individual, by that individual,
 - (b) where the overseas dividend manufacturer is a trustee of a qualifying discretionary or accumulation trust (other than a corporate trustee), by that trustee, stating the capacity in which he signs,
 - (c) where the overseas dividend manufacturer is a body corporate (including a corporate trustee), by the secretary of that company or other officer of that company duly authorised for that purpose, stating the capacity in which he signs,
 - (d) in any other case, by an officer of the organisation concerned duly authorised for that purpose, stating the capacity in which he signs.”

11. After regulation 8 there shall be inserted the following regulations—

“Certificates by paying and collecting agents—additional information

8A.—(1) A certificate furnished pursuant to subsection (4) of section 118E by a paying agent or a collecting agent to the person entitled to the chargeable payment or, as the case may be, the chargeable receipt shall contain the information specified in paragraph (2) in addition to that set out in paragraphs (a) to (d) of that subsection.

- (2) The information specified in this paragraph is—
 - (a) a description of the chargeable payment or chargeable receipt, including the name of the body of persons or government, or public or local authority, issuing the relevant holdings in respect of which the chargeable payment or chargeable receipt is payable;
 - (b) details of tax paid in respect of the income in question under the law of a territory outside the United Kingdom, including the name of that territory;
 - (c) in the case of a manufactured overseas dividend paid to the collecting agent, details of tax accountable for in accordance with paragraph 4 of Schedule 23A and the Manufactured Overseas Dividends Regulations in respect of the payment;
 - (d) details of the amount of the chargeable payment or chargeable receipt by reference to which income tax is calculated;
 - (e) details of the amount of tax set off in accordance with regulation 8B.

Set off of foreign withholding tax

8B.—(1) Subject to paragraph (2), the amount of any income tax which a paying agent would otherwise be liable to deduct under section 118E(1)(a), or for which a collecting agent would otherwise be liable to account under section 118E(3)(a), may be reduced by an amount equal to the amount of any tax that—

- (a) was paid in respect of the income in question under the law of a territory outside the United Kingdom, and
- (b) would qualify for credit against tax payable in respect of that income in the United Kingdom under section 788 or 790.

(2) In the case of a chargeable receipt which is a manufactured overseas dividend, the amount of any income tax for which a collecting agent would otherwise be liable to account under section 118E(3)(a) may be reduced by an amount equal to the aggregate of the following amounts—

- (a) the amount (if any) of tax accountable for in accordance with paragraph 4 of Schedule 23A and the Manufactured Overseas Dividends Regulations or, where regulation 7(3A)(18) of those Regulations applies in relation to the manufactured overseas dividend, the amount of tax treated as accounted for and paid pursuant to that provision, and
- (b) the amount (if any) of tax charged on or in respect of the payment of the manufactured overseas dividend under the law of a territory outside the United Kingdom,

but so that the resulting aggregate amount does not exceed the amount that would have been found under paragraph (1) above in relation to the dividend of which the manufactured overseas dividend is representative.

Prevention of double accounting

8C.—(1) Where more than one person is a collecting agent in relation to the same relevant receipt (by virtue of that relevant receipt passing along a chain of collecting agents), the collecting agent who first performs a relevant function (within the meaning given by section 118C) in relation to that relevant receipt shall, subject to paragraph (2), be regarded as the sole collecting agent in relation to that relevant receipt for the purposes of the principal sections and these Regulations.

(2) Except where the successor in the chain of collecting agents is a collecting agent for other companies in the same group (within the meaning given by regulation 2F(3)), the person who for the time being is the sole collecting agent may agree with his successor in the chain of collecting agents that that successor shall be treated as the sole collecting agent in relation to the relevant receipt for the purposes of the principal sections and these Regulations.

(3) For the purposes of paragraph (2) and subject to paragraph (4), an agreement between collecting agents shall be made by the collecting agent who desires to assume responsibility as the sole collecting agent in relation to the relevant receipt giving notice to the other collecting agent, and the other collecting agent accepting that notice.

(4) An agreement shall not be regarded as being made pursuant to paragraph (3) if the collecting agent to whom the notice referred to in that paragraph is given has, prior to receipt of the notice, furnished a certificate under section 118E(4) with respect to the relevant receipt.

- (5) A notice under paragraph (3) shall contain the following information—
- (a) the identity of the collecting agent by whom the notice is given;
 - (b) the identity of the collecting agent to whom the notice is given;
 - (c) details of the relevant receipts to which the notice relates;
 - (d) the date of the notice.

(6) An agreement under paragraph (2) shall have effect in relation to any relevant receipts to which it relates arising to the collecting agent to whom the notice under paragraph (3) is given after the acceptance by him of the notice, unless and until—

- (a) either of the collecting agents withdraws from the agreement by notice to the other collecting agent, or
- (b) the person to whom the notice under paragraph (3) was given receives a notice from the Board under regulation 10(2) relating to the relevant receipts referred to in the notice.”

12. In each of regulations 10(3), 15(1) and 16(1) for the words “or 4” there shall be substituted the words “, 3A, 4 or 6A”.

13. In regulation 14—

- (a) after the words “regulation 3” there shall be inserted the words “or 3A”;
- (b) after the words “regulation 4,” there shall be inserted the words “or an overseas dividend manufacturer who has made a declaration under regulation 6A,”.

14th November 1997

Nick Montagu
C W Corlett
Two of the Commissioners of Inland Revenue

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Paying and Collecting Agents) Regulations 1996 (“the principal Regulations”).

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

Regulations 3 to 5 insert additional definitions in regulation 2 of the principal Regulations and amend the definition of “eligible person” in that regulation by adding further categories to that definition.

Regulation 6 inserts regulations 2A to 2N in the principal Regulations which list categories of payments of foreign dividends made by paying agents (“relevant payments”), and categories of receipts of foreign dividends or quoted Eurobond interest by collecting agents (“relevant receipts”), in respect of which those agents are not liable to account for income tax.

Regulation 7 inserts regulation 3A in the principal Regulations which provides that the exemption from liability to account for tax on manufactured overseas dividends paid or accounted for to, or at the direction of, a depository for a recognised clearing system shall not apply unless the depository makes a declaration in the terms set out in the regulation.

Regulation 8 amends regulation 4(1) of the principal Regulations (declaration by eligible person or appropriate person) so as to exclude certain categories of non-chargeable relevant payments or receipts from the ambit of the regulation.

Regulation 9 amends regulation 6 of the principal Regulations so as to require additional information to be contained in a declaration by an appropriate person in relation to relevant payments or relevant receipts payable to him or at his direction.

Regulation 10 inserts regulations 6A and 6B in the principal Regulations which provide for the making of a declaration by an overseas dividend manufacturer where regulation 2N applies (relevant receipts corresponding to manufactured overseas dividends).

Regulation 11 inserts three regulations in the principal Regulations—regulation 8A (additional information to be contained in certificates by paying and collecting agents concerning chargeable payments and chargeable receipts); regulation 8B (set off of foreign withholding tax against tax payable by paying and collecting agents); and regulation 8C (prevention of double accounting where more than one person is a collecting agent in relation to the same dividend).

Regulations 12 and 13 amend regulations 10, 14, 15 and 16 of the principal Regulations so as to include references to declarations under regulations 3A and 6A of the principal Regulations (inserted by regulations 7 and 10 of these Regulations).