
STATUTORY INSTRUMENTS

2003 No. 732

The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2003

Amendment of the principal Regulations

- 5.—(1) Amend regulation 3 as follows.
- (2) In paragraph (1), in Step Four—
- (a) in the second sentence omit “, unless there has been a trading loss”; and
 - (b) in the third sentence for “subtract” substitute “subtract”.
- (3) In paragraph (4)—
- (a) after “claimant who is” insert “, for income tax purposes”; and
 - (b) in sub-paragraph (a) for “but neither ordinarily resident nor domiciled” substitute “and domiciled but not ordinarily resident”.
- (4) In paragraph (5)—
- (a) for sub-paragraph (a) substitute—
 - “(a) any income arising outside the United Kingdom is to be taken into account, subject to any specific provision of these Regulations, regardless of the domicile or residence of the claimant; and”;
 - (b) in sub-paragraph (b) for “taxable”, in the first place where it occurs, substitute “taken into account”.
- (5) After paragraph (5) insert—
- “(5A) Any income is to be taken into account, subject to any specific provision of these Regulations, notwithstanding the provision of any Order in Council under section 788 of the Taxes Act (double taxation agreements)(1).”.
- (6) After paragraph (6) insert—
- “(6A) Income paid to a claimant in a currency other than sterling shall be converted into sterling at the average of the exchange rates applicable for the conversion of that currency into sterling in the period of 12 months ending on 28th March in the tax year in which the income arises.”.
- (7) In paragraph (7)—
- (a) omit “the amount of”;
 - (b) in sub-paragraph (a) at the beginning insert “the amount of”;
 - (c) in sub-paragraph (b) at the beginning insert “the grossed-up amount of”; and
 - (d) in sub-paragraph (c)—
 - (i) at the beginning insert “the amount of”;

(1) Section 788(5) was amended by paragraphs 1 and 2 of Schedule 30 to the Finance Act 2000(c. 17).

Status: This is the original version (as it was originally made).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

- (ii) in head (iii) for “Chapter 4 of that Part 14 of that Act;” substitute “Chapter 4 of Part 14 of that Act;”; and
- (iii) at the end add—
 - “together with the amount of any tax relief due on those contributions.”.