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STATUTORY INSTRUMENTS

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**2006 No. 766**

**The Tax Credits (Miscellaneous Amendments) Regulations 2006**

**Amendment of the Tax Credits (Definition and Calculation of Income) Regulations 2002**

**16.**—(1) Regulation 12 (foreign income) is amended as follows.

(2) In paragraph (1) for “possessions or from securities out of the United Kingdom” substitute “a source outside the United Kingdom or from foreign holdings”.

(3) For paragraph (2) substitute—

“(2) The reference in paragraph (1) to “foreign holdings” shall be construed in accordance with section 571 of ITTOIA.”.

(4) In paragraph (3)—

(a) for sub-paragraph (b) substitute—

“(b) the amount authorised to be deducted by the relevant provision if the claimant’s foreign income comprises or includes a pension to which the following provisions of ITEPA apply—

- (i) section 567(5) and 617 (deduction allowed from taxable pension income);
- (ii) section 575(2)(1) (taxable pension income: foreign pensions);
- (iii) section 613(3)(2) (taxable pension income: foreign annuities); and
- (iv) section 635(3)(3) (taxable pension income: foreign voluntary annual payments); and”;

(b) in sub-paragraph (c)—

(i) in paragraph (iii) for “Extra Statutory Concession A30” substitute “section 751(1) (c) of ITTOIA” and omit “or”; and

(ii) at the end add—

“or

(v) section 730 of ITTOIA (foreign maintenance payments).”.

(5) In paragraph (4) for “(within the meaning of the Taxes Act)” substitute “(within the meaning of Part 3 of ITTOIA)”.

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(1) Subsections (2) to (5) were substituted for sub-section (2) as originally enacted by paragraph 606 of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 (c. 5) (“ITTOIA”).

(2) Subsections (3) to (6) were substituted for sub-sections (3) and (4) as originally enacted by paragraph 607 of Schedule 1 to ITTOIA.

(3) Subsections (3) to (6) were substituted for sub-section (3) as originally enacted by paragraph 609 of Schedule 1 to ITTOIA.