



# Income and Corporation Taxes Act 1988

## 1988 CHAPTER 1

### PART III

#### [<sup>F1</sup>GOVERNMENT SECURITIES]

*Government securities: interest payable without deduction of tax*

#### **50 United Kingdom securities: Treasury directions for payment without deduction of tax.**

[<sup>F1</sup>(A1) The interest on [<sup>F2</sup>gilt-edged securities] (whenever issued and whatever the terms on which they were issued) shall be paid without deduction of income tax.]

(1) <sup>M1</sup>The Treasury may direct that any of the following securities [<sup>F3</sup>in so far as they are not gilt-edged securities], that is to say—

- (a) <sup>F4</sup> .....
- (b) any securities issued or deemed to be issued under the <sup>M2</sup>National Loans Act 1939 or issued under the <sup>M3</sup>National Loans Act 1968;
- (c) <sup>F4</sup> .....
- (d) <sup>F4</sup> .....

shall be issued, or shall be deemed to have been issued, subject to the condition that the interest thereon shall be paid without deduction of income tax; and subject to the provisions of this section the interest shall be so paid accordingly <sup>F5</sup> . . . .

(2) <sup>M4</sup>The holder of any registered securities the interest on which is by virtue of [<sup>F6</sup>subsection (A1) above or of] directions given under subsection (1) above payable without deduction of tax may make an application to the [<sup>F7</sup>Registrar] under this subsection requesting that income tax shall be deducted from the interest on those securities before payment thereof.

(3) Where any such application is made, income tax in respect of the interest on those securities shall, so long as they remain registered in the name of the applicant and subject to the withdrawal of the application under subsection (5) below, be deducted

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and charged in the same manner as if they were not securities [<sup>F8</sup>the interest on which is to be paid without deduction of income tax].

- (4) <sup>M5</sup>An application under subsection (2) above shall be made in such form as the [<sup>F7</sup>Registrar] with the approval of the Treasury may prescribe, and any application made less than [<sup>F9</sup>one month] before the date on which a payment of interest falls due shall only have effect as regards any payment of interest subsequent to that payment.
- (5) An application made under subsection (2) above may at any time be withdrawn by notice to the [<sup>F7</sup>Registrar] in such form as the [<sup>F7</sup>Registrar] may with the approval of the Treasury prescribe, but an application so withdrawn shall, notwithstanding the withdrawal, continue to have effect as regards any interest payable less than [<sup>F9</sup>one month] after the date the notice is [<sup>F10</sup>received by] the [<sup>F7</sup>Registrar].
- (6) Where any securities to which subsection (2) above applies are held on trust, the holders of the securities may make an application under that subsection in respect thereof without the consent of any other person, notwithstanding anything in the instrument creating the trust.
- (7) In this section—
- <sup>F11</sup> . . . . .
- [<sup>F12</sup>“gilt-edged securities” means any securities which—
- (a) are gilt-edged securities for the purposes of the 1992 Act; or
- (b) will be such securities on the making of any order under paragraph 1 of Schedule 9 to that Act the making of which is anticipated in the prospectus under which they were issued,]<sup>F13</sup> . . .
- “registered” means entered in the register of the [<sup>F14</sup>Registrar];
- [<sup>F15</sup>“the Registrar” means the Registrar of Government Stock, as defined in section 49(4).]

#### Textual Amendments

- F1** S. 50(A1) inserted (with effect in accordance with s. 37(8)-(13) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(2)
- F2** Words in s. 50(A1) substituted (with application in accordance with s. 112(5) of the amending Act) by Finance Act 2000 (c. 17), s. 112(1)
- F3** Words in s. 50(1) inserted (with effect in accordance with s. 37(8)-(13) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(3)(a)
- F4** S. 50(1)(a)(c)(d) repealed (with effect in accordance with Sch. 8 Pt. 2(13) Note of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), s. 52, Sch. 8 Pt. 2(13)
- F5** Words in s. 50(1) repealed (with effect in accordance with Sch. 7 para. 32 of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 11, Sch. 41 Pt. 5(2), Note (with Sch. 7 paras. 33-35)
- F6** Words in s. 50(2) inserted (with effect in accordance with s. 37(8)-(13) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(3)(b)
- F7** Words in s. 50 substituted (15.11.2004) by The Government Stock (Consequential and Transitional Provision) (No. 3) Order 2004 (S.I. 2004/2744), art. 1, Sch. para. 2(3)(a) (with art. 3)
- F8** Words in s. 50(3) substituted (with effect in accordance with s. 37(8)-(13) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(3)(c)
- F9** Words in s. 50(4)(5) substituted (with effect in accordance with s. 37(8)-(13) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(3)(d)
- F10** Words in s. 50(5) substituted (15.11.2004) by The Government Stock (Consequential and Transitional Provision) (No. 3) Order 2004 (S.I. 2004/2744), art. 1, Sch. para. 2(3)(b) (with art. 3)

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- F11** S. 50(7): definition of "the Bank" omitted (15.11.2004) by virtue of [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, [Sch. para. 2\(3\)\(c\)\(i\)](#) (with art. 3)
- F12** S. 50(7): definition of "gilt-edged securities" inserted (with effect in accordance with s. 37(8)-(13) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), s. 37(4)
- F13** S. 50(7): word at the end of definition of "gilt-edged securities" omitted (15.11.2004) by virtue of [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, [Sch. para. 2\(3\)\(c\)\(ii\)](#) (with art. 3)
- F14** S. 50(7): word in definition of "registered" substituted (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, [Sch. para. 2\(3\)\(c\)\(iii\)](#) (with art. 3)
- F15** S. 50(7): definition of "the Registrar" inserted (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, [Sch. para. 2\(3\)\(c\)\(iv\)](#) (with art. 3)

#### Marginal Citations

- M1** SOURCE-1970 s. 101(1)
- M2** 1939 c. 117.
- M3** 1968 c. 13.
- M4** SOURCE-1970 s. 101(2)
- M5** SOURCE-1970 s. 101(3)–(6)

## 51 Treasury directions as respects Northern Ireland securities.

- (1) <sup>M6</sup>The Treasury may, on the application of the Department of Finance and Personnel, as respects any securities to which this section applies, direct that the securities specified in the direction shall be issued, or shall be deemed to have been issued, subject to the condition that the interest thereon shall be paid without deduction of income tax; and in relation to any securities so specified and the interest thereon, section 50 shall have effect as if—
- the securities were securities in respect of which a direction had been given by the Treasury under subsection (1) of that section;
  - references in that section to [<sup>F16</sup>“the Registrar”] were (notwithstanding subsection (7) of that section) references to the bank in the books of which the securities are registered or inscribed; and
  - the references in subsections (4) and (5) of that section to the Treasury were references to the Department of Finance and Personnel.
- (2) The securities to which this section applies are securities issued under section 11(1)(c) of the <sup>M7</sup>Exchequer and Financial Provisions Act (Northern Ireland) 1950 for money borrowed by the Department of Finance and Personnel for the purposes of making issues from the Consolidated Fund of Northern Ireland.

#### Textual Amendments

- F16** Words in s. 51(1)(b) substituted (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, [Sch. para. 2\(4\)](#) (with art. 3)

#### Marginal Citations

- M6** SOURCE-1970 s. 102
- M7** 1950 c. 3 (N.I.)

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[<sup>F17</sup>**51A Commencement of direction under section 50 or 51.**

A direction under section 50 or 51 that any security shall be deemed to have been issued subject to the condition that the interest thereon shall be paid without deduction of tax may provide that the direction is to have effect in relation only to payments of interest made on or after such date as may be specified in the direction.]

**Textual Amendments**

**F17** S. 51AA inserted (29.4.1996) by Finance Act 1996 (c. 8), s. 155

[<sup>F18</sup>**51A Gilt-edged securities held under authorised arrangements.**

<sup>F19</sup> .....

**Textual Amendments**

**F18** S. 51A inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 77

**F19** S. 51A repealed (with effect in accordance with s. 37(8) and Sch. 8 Pt. 2(13) Note of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), ss. 37(5), 52, **Sch. 8 Pt. 2(13)**

[<sup>F20</sup>**51B Periodic accounting for tax on interest on gilt-edged securities.**

<sup>F21</sup> .....

**Textual Amendments**

**F20** S. 51B inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 78(1)

**F21** S. 51B repealed (with effect in accordance with s. 37(3) of the repealing Act and S.I. 1999/619) by Finance Act 1998 (c. 36), ss. 37(1), 165, **Sch. 27 Pt. 3(3)**, Note

**52 Taxation of interest on converted government securities and interest which becomes subject to deduction.**

<sup>F22</sup> .....

**Textual Amendments**

**F22** S. 52 repealed (with effect in accordance with Sch. 7 para. 32 of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 12, **Sch. 41 Pt. 5(2)**, Note (with Sch. 7 paras. 33-35)

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