

## SCHEDULES

### SCHEDULE 12

#### PROVISION OF SERVICES THROUGH AN INTERMEDIARY

##### PART II

##### THE DEEMED SCHEDULE E PAYMENT

###### *Application of Schedule E rules*

- 10 (1) The following provisions apply in relation to the calculation of the deemed Schedule E payment.
- (2) A “payment or other benefit” includes anything that, if received by an employee for performing the duties of an employment within Schedule E—
- (a) would be an emolument of the employment, or
  - (b) would be chargeable to tax as an emolument of the employment.
- (3) The amount of a payment or other benefit is taken to be—
- (a) in the case of a payment or cash benefit, the amount received, and
  - (b) in the case of a non-cash benefit, the cash equivalent of the benefit.
- (4) The cash equivalent of a non-cash benefit is taken to be whichever is the greater of—
- (a) the amount that would be chargeable to tax under section 19(1) of the Taxes Act 1988 if the benefit were an emolument chargeable to tax under Case I of Schedule E, and
  - (b) the cash equivalent determined in accordance with the rules in section 596B of that Act.
- (5) A payment or benefit is treated as received—
- (a) in the case of a payment or cash benefit, when payment is made of or on account of the payment or benefit;
  - (b) in the case of a non-cash benefit, when it is used or enjoyed.