
STATUTORY INSTRUMENTS

1994 No. 1418

INCOME TAX

The Double Taxation Relief (Taxes on Income) (United States of America Dividends) (Amendment) Regulations 1994

Made - - - - 25th May 1994
Coming into force - - 16th June 1994

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 791 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 Double Taxation Relief (Taxes on Income) (United States of America Dividends) (Amendment) Regulations 1994 and shall come into force on 16th June 1994.

Interpretation

2. In these Regulations “the principal Regulations” means the Double Taxation Relief (Taxes on Income) (U.S.A.) Regulations 1946(2) and “regulation” means a regulation of those Regulations.

Amendments to the principal Regulations

3. In regulation 2(2)—

- (a) for the definition of “paying agent” there shall be substituted the following definition—
““chargeable person” means any person mentioned in paragraph 6(1)(c) or (d) of Schedule 3 to the Income and Corporation Taxes Act 1988;”;
- (b) in the definition of “gross amount” for the words “entrusted to the paying agent for payment” there shall be substituted the words “obtained by the chargeable person”.

4. Regulation 3 shall be omitted.

5.—(1) In regulation 4(1)(3)—

(1) 1988 c. 1.
(2) S.R. & O. 1946/1331, amended by S.I. 1955/499 and 1961/985, and extended by S.I. 1980/779.
(3) Amended by S.I. 1955/499 and 1961/985.

- (a) for the words “paying agent” there shall be substituted the words “chargeable person”;
 - (b) the words “, out of the money in his hands,” shall be omitted.
- (2) In regulation 4(2)(4)—
- (a) for the words “paying agent” there shall be substituted the words “chargeable person”;
 - (b) in paragraph (i) of sub-paragraph (b) the words “entrusted to him for payment” shall be omitted;
 - (c) in paragraphs (ii) and (iii) of sub-paragraph (b) for the words “entrusted to him for payment” in each place where they occur there shall be substituted the word “paid”.
- (3) Regulation 4(3) shall be omitted.

25th May 1994

L. J. H. Beighton
C. W. Corlett
Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Double Taxation Relief (Taxes on Income) (U.S.A.) Regulations 1946 (S.R. & O. 1946/1331) (as amended) (“the principal Regulations”) which relate to the taxation of dividends from United States sources. The main changes made to the principal Regulations are twofold. First they revoke regulation 3 of the principal Regulations which required paying agents of United States dividends to give credit for United States withholding tax against United Kingdom income tax on the dividend. This regulation has been rendered unnecessary by the terms of a circular issued by the Inland Revenue which enables agents to give credit for United States and other foreign withholding taxes on dividends and interest.

Secondly the present Regulations substitute a definition of “chargeable person” for the definition of “paying agent” in regulation 2 of the principal Regulations, which more accurately describes the role of agents who obtain payment of United States dividends on behalf of those beneficially entitled to such dividends. The Regulations also make consequential alterations to the principal Regulations resulting from the substituted definition.