
STATUTORY INSTRUMENTS

1995 No. 2052

The Income Tax (Manufactured Dividends) (Tradepoint) Regulations 1995

PART IV

ADMINISTRATIVE ARRANGEMENTS RELATING TO SECTION 737

Accounting for tax by dividend manufacturers

12.—(1) This regulation applies in any case where a dividend manufacturer is a member in relation to Tradepoint and a clearing participant.

(2) The dividend manufacturer shall make a return—

- (a) for each complete quarter falling within any trading period, that is to say, for each of the periods of three months ending with 31st March, 30th June, 30th September or 31st December, as the case may be, which falls within that period;
- (b) for each part of any trading period which is not a complete quarter and which ends on the first (or only), or begins immediately after the last (or only), of those dates which falls within that period;
- (c) if none of those dates falls within the trading period, for the whole of that period.

(3) A return for any period for which a return is required to be made under this regulation (“a return period”) shall be made within 14 days from the end of that period.

(4) The return shall show—

- (a) the aggregate of the manufactured dividends paid by the dividend manufacturer in the return period on which tax is accountable under subsection (1);
- (b) the aggregate of the dividends and manufactured dividends received by him in the return period;
- (c) the aggregate of the manufactured dividends received by him in the return period on which tax is accountable under subsection (5); and
- (d) the aggregate amount of tax accountable under subsections (1) and (5) in respect of manufactured dividends paid or received by him in the return period.

(5) In any return under this regulation the dividend manufacturer shall show unapproved manufactured payments and the tax accountable in respect of those payments separately from approved manufactured payments.

(6) Tax in respect of manufactured dividends required to be included in a return for any period under this regulation shall be due at the time by which the return for that period is to be made, and tax so due shall be payable without the making of an assessment.

(7) Tax which has become so due may be assessed on the dividend manufacturer (whether or not it has been paid when the assessment is made) if the tax, or any part of it, is not paid on or before the due date.

(8) If it appears to the inspector that there is a manufactured dividend which ought to have been but has not been included in a return, or if the inspector is dissatisfied with any return, he may make an assessment on the dividend manufacturer to the best of his judgment; and any tax due under an assessment made by virtue of this paragraph shall be treated for the purposes of interest on unpaid tax as having been payable at the time when it would have been payable if a correct return had been made.

(9) Subsections (1), (7) and (8) of section 87 of the Management Act⁽¹⁾ shall apply to tax assessable under this regulation as they apply to tax assessable in accordance with Schedules 13 and 16 to the Taxes Act, and accordingly those subsections shall have effect as if references to those schedules included references to this regulation.

(10) In this regulation “trading period” means—

- (a) where the dividend manufacturer draws up accounts, the period for which he draws up accounts;
- (b) where he does not draw up accounts—
 - (i) the period which begins on the date on which he first pays a manufactured dividend and ends at the expiration of 12 months from that date or, if earlier, on the date immediately preceding a period for which he draws up accounts, and
 - (ii) any subsequent period which begins on the date on which he first pays a manufactured dividend after the end of the immediately preceding trading period and ends at the expiration of 12 months from that date or, if earlier, on the date immediately preceding a period for which he draws up accounts.

⁽¹⁾ Section 87 was substituted by paragraph 10 of Schedule 24 to the Finance Act 1972 (c. 41), and subsections (1), (7) and (8) of that section as substituted were amended by section 46(3)(b) of the Finance (No. 2) Act 1975 (c. 45), paragraph 32 of Schedule 29 to the Income and Corporation Taxes Act 1988 and section 179(1)(b) of the Finance Act 1989 (c. 26).