



Taxes Management Act 1970

1970 CHAPTER 9

PART III

OTHER RETURNS AND INFORMATION

17 Interest paid or credited by banks, etc. without deduction of income tax.

- (1) Every person carrying on a trade or business who, in the ordinary course of the operations thereof, receives or retains money in such circumstances that interest becomes payable thereon which is paid or credited without deduction of income tax [^{F1}or after deduction of income tax], and, in particular, every [^{F2}such person who is a bank], shall, if required to do so by notice from an inspector, make and deliver to the inspector, within the time specified in the notice, a return of all interest paid or credited by him as aforesaid during a year [^{F3}of assessment] specified in the notice in the course of his trade or business or any such part of his trade or business as may be so specified, giving the names and addresses of the persons to whom the interest was paid or credited and stating, in each case, the amount of the interest [^{F1}actually paid or credited and (where the interest was paid or credited after deduction of income tax) the amount of the interest from which the tax was deducted and the amount of the tax deducted]:

Provided that—

- ^{F4}(a)
- (b) the year specified in a notice under this subsection shall not be a year ending more than three years before the date of the service of the notice .

[^{F5}(1A) In this section “bank” has the meaning given by section 840A of the principal Act.]

- (2) Without prejudice to the generality of so much of subsection (1) above as enables different notices to be served thereunder in relation to different parts of a trade or business, separate notices may be served under that subsection as respects the transactions carried on at any branch or branches respectively specified in the notices, and any such separate notice shall, if served on the manager or other person in charge of the branch or branches in question, be deemed to have been duly served on the person carrying on the trade or business; and where such a separate notice is so served as

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respects the transactions carried on at any branch or branches, any notice subsequently served under the said subsection (1) on the person carrying on the trade or business shall not be deemed to extend to any transaction to which the said separate notice extends.

(3) This section shall, with any necessary adaptations, apply in relation to the National Savings Bank as if it were a trade or business carried on by the Director of Savings.

(4) This section shall apply only to money received or retained in the United Kingdom,
F6
... .

[F7(4A) If a person to whom any interest is paid or credited in respect of any money received or retained in the United Kingdom by notice in writing served on the person paying or crediting the interest—

- (a) has declared that the person beneficially entitled to the interest is a company not resident in the United Kingdom, and
- (b) has requested that the interest shall not be included in any return under this section,

the person paying or crediting the interest shall not be required to include the interest in any such return.

F8(4B)

F8(4C)]

[F9(5) The Board may by regulations provide as mentioned in all or any of the following paragraphs—

- (a) that a return under subsection (1) above shall contain such further information as is prescribed if the notice requiring the return specifies the information and requires it to be contained in the return;
- (b) that a person required to make and deliver a return under subsection (1) above shall furnish with the return such further information as is prescribed if the notice requiring the return specifies the information and requires it to be so furnished;

[F10(c) that if a person is required—
(i) to make and deliver a return under subsection (1) above;
(ii) to include information in such a return under any provision made under paragraph (a) above; or
(iii) to furnish information under any provision made under paragraph (b) above,

and the notice under subsection (1) above specifies the form in which the return is to be made and delivered, or the information is to be included or furnished, the person shall make and deliver the return, or include or furnish the information, in that form;]

(d) that a notice under subsection (1) above shall not require prescribed information;

and in this subsection “prescribed” means prescribed by the regulations.

[F11The further information required as mentioned in paragraph (a) or (b) above may include, in prescribed cases, the name and address of the person beneficially entitled to the interest paid or credited.]

(6) Regulations under subsection (5) above—

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- (a) shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons,
- [may make provision with respect to the furnishing of information by persons required—
- ^{F12}(aa) required—
- (i) to make and deliver a return under subsection (1) above;
 - (ii) to include information in such a return under any provision made under subsection (5)(a) above; or
 - (iii) to furnish information under any provision made under subsection (5) (b) above,
- including the inspection of books, documents and other records on behalf of the Board;]
- (b) may make different provision in relation to different cases or descriptions of case, and
- (c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Board to be necessary or expedient.]

Textual Amendments

- F1** Words in s. 17(1) inserted (with effect where interest is paid or credited in the year 1991-92 or in a subsequent year of assessment) by [Finance Act 1990 \(c. 29\)](#), s. 92(2)(a)(b)(7)
- F2** Words in s. 17(1) substituted (with application in accordance with Sch. 37 para. 11(5) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 37 para. 11\(3\)](#)
- F3** Words inserted by [Finance Act 1988 \(c. 39\)](#) s. 123(2) *with respect to notices given on or after 29 July 1988.*
- F4** Words in s. 17(1) omitted (with effect where interest is paid or credited in the year 1991-92 or in a subsequent year of assessment) by [Finance Act 1990 \(c. 29\)](#), [s. 92\(2\)\(c\)\(7\)](#)
- F5** S. 17(1A) inserted (with application in accordance with Sch. 37 para. 11(5) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 37 para. 11\(1\)\(2\)\(a\)](#)
- F6** Words in s. 17(4) repealed (16.7.1992) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), ss. 29(1)(2), 82, [Sch. 18 Pt. VII\(3\)](#)
- F7** S. 17(4A)-(4C) inserted (16.7.1992) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), [s. 29\(1\)\(2\)](#)
- F8** S. 17(4B)(4C) repealed (with effect in accordance with s. 145(11) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), s. 145(1), [Sch. 40 Pt. 5](#) Note
- F9** S. 17(5)(6) inserted (with effect where interest is paid or credited in the year 1991-92 or in a subsequent year of assessment) by [Finance Act 1990 \(c. 29\)](#), s. 92(3)(7)
- F10** S. 17(5)(c) substituted (with effect in accordance with s. 145(11) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [s. 145\(2\)\(a\)](#)
- F11** Words in s. 17(5) inserted (with effect in accordance with s. 145(11) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [s. 145\(2\)\(b\)](#)
- F12** S. 17(6)(aa) inserted (with effect in accordance with s. 145(11) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [s. 145\(3\)](#)

Modifications etc. (not altering text)

- C1** S. 17(3): see further [National Savings Bank Act 1971 \(c. 29\)](#), [s. 12\(3\)](#).
- C2** S. 17 applied (with modifications) by [The Income Tax \(Building Societies\) Regulations 1986 \(S.I. 1986/482\)](#), [reg. 10](#)

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