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Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART III

[^{F1}GOVERNMENT SECURITIES]

Textual Amendments

- F1** Pt. 3 heading substituted (with effect in accordance with Sch. 7 para. 32 of the amending Act) by Finance Act 1996, s. 79, Sch. 7 para. 6 (with Sch. 7 paras. 33-35)

General

44 Income tax: mode of charge.

^{F2}

Textual Amendments

- F2** S. 44 repealed (with effect in accordance with Sch. 7 para. 32 and Sch. 41 Pt. 5(2) Note of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 7, Sch. 41 Pt. 5(2) (with Sch. 7 paras. 33-35)

45 Interpretation of Part III.

^{F3}

Textual Amendments

- F3** S. 45 repealed (with effect in accordance with Sch. 7 para. 32 and Sch. 41 Pt. 5(2) Note of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 8, Sch. 41 Pt. 5(2) (with Sch. 7 paras. 33-35)

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Government securities: exemptions from tax

46 Savings certificates and tax reserve certificates.

- (1) ^{M1}Subject to subsections (3) to (6) below, income arising from savings certificates shall not be liable to tax.
- (2) ^{M2}Tax shall not be chargeable in respect of the interest on tax reserve certificates issued by the Treasury.
- (3) ^{M3}Subsection (1) above does not apply to any savings certificates which are purchased by or on behalf of a person in excess of the amount which a person is for the time being authorised to purchase under regulations made by the Treasury or, as respects Ulster Savings Certificates, by the Department of Finance and Personnel.
- (4) Subsection (1) above does not apply to Ulster Savings Certificates unless—
 - (a) the holder is resident and ordinarily resident in Northern Ireland when the certificates are repaid; or
 - (b) the certificates were purchased by him and he was so resident and ordinarily resident when they were purchased.
- (5) A claim under this section in respect of Ulster Savings Certificates shall be made to the Board.
- (6) In this section “savings certificates” means savings certificates issued under section 12 of the ^{M4}National Loans Act 1968 or section 7 of the ^{M5}National Debt Act 1958 or Section 59 of the ^{M6}Finance Act 1920 and any war savings certificates as defined in section 9(3) of the ^{M7}National Debt Act 1972, together with any savings certificates issued under any corresponding enactment forming part of the law of Northern Ireland.

Modifications etc. (not altering text)

C1 *And see, as regards Ulster Savings Certificates, Part III Vol.5.*

Marginal Citations

M1 SOURCE-1981 S. 34(1)
M2 SOURCE-1970 s. 98
M3 SOURCE-1981 s. 34(2)–(5); 1979 (C) s. 71(2)(a)
M4 1968 c. 13.
M5 1958 c.6.
M6 1920 c.18.
M7 1972 c. 65.

47 United Kingdom government securities held by non-residents.

F4

Textual Amendments

F4 S. 47 repealed (with effect in accordance with s. 154(9) of the repealing Act) by [Finance Act 1996](#) (c. 8), ss. 154(7), 205, Sch. 28 para. 1, [Sch. 41 Pt. 5\(18\)](#), Note (with s. 154(2)-(6))

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48 Securities of foreign states.

F5

Textual Amendments

F5 S. 48 repealed (with effect in accordance with Sch. 7 para. 32 and Sch. 41 Pt. 5(2) Note of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 9, Sch. 41 Pt. 5(2) (with Sch. 7 paras. 33-35)

49 Stock and dividends in name of Treasury etc.

(1) ^{M8}No tax shall be chargeable in respect of the stock or dividends transferred to accounts in the books of the Bank of England in the name of the Treasury or the National Debt Commissioners in pursuance of any Act of Parliament, but the Bank of England shall transmit to the Board an account of the total amount thereof.

(2) No tax shall be chargeable in respect of the stock or dividends belonging to the Crown, in whatever name they may stand in the books of the Bank of England.

[^{F6}(3) In this section “dividends” means any interest, public annuities, dividends or shares of annuities.]

Textual Amendments

F6 S. 49(3) inserted (with effect in accordance with Sch. 7 para. 32 of the amending Act) by Finance Act 1996 (c. 8), s. 79, Sch. 7 para. 10 (with Sch. 7 paras. 33-35)

Marginal Citations

M8 SOURCE-1970 s. 106(1), (2)

Government securities: interest payable without deduction of tax

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

[^{F7}(A1) The interest on [^{F8}gilt-edged securities](whenever issued and whatever the terms on which they were issued) shall be paid without deduction of income tax.]

(1) ^{M9}The Treasury may direct that any of the following securities [^{F9}in so far as they are not gilt-edged securities], that is to say—

(a) ^{F10}

(b) any securities issued or deemed to be issued under the ^{M10}National Loans Act 1939 or issued under the ^{M11}National Loans Act 1968;

(c) ^{F10}

(d) ^{F10}

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 ^{F11}

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- (2) ^{M12}The holder of any registered securities the interest on which is by virtue of [^{F12}subsection (A1) above or of] directions given under subsection (1) above payable without deduction of tax may make an application to the Bank 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 and charged in the same manner as if they were not securities [^{F13}the interest on which is to be paid without deduction of income tax].
- (4) ^{M13}An application under subsection (2) above shall be made in such form as the Bank with the approval of the Treasury may prescribe, and any application made less than [^{F14}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 Bank in such form as the Bank 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 [^{F14}one month] after the date the notice is received at the Bank.
- (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—
 “the Bank” means the Bank of England or the Bank of Ireland as the case requires,
 [^{F15}“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,] and
 “registered” means entered in the register of the Bank.

Textual Amendments

- F7** 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)
- F8** 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)
- F9** 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)
- F10** 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)
- F11** 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)
- F12** 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)

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- F13** 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)
- F14** 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)
- F15** 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)

Modifications etc. (not altering text)

- C2** S. 50 modified (with effect in accordance with s. 37(8)(12) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(11)
- C3** S. 50(5) modified (with effect in accordance with s. 37(8) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 37(13)

Marginal Citations

- M9** SOURCE-1970 s. 101(1)
- M10** 1939 c. 117.
- M11** 1968 c. 13.
- M12** SOURCE-1970 s. 101(2)
- M13** SOURCE-1970 s. 101(3)–(6)

51 Treasury directions as respects Northern Ireland securities.

- (1) ^{M14}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 “the Bank” 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 ^{M15}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.

Marginal Citations

- M14** SOURCE-1970 s. 102
- M15** 1950 c. 3 (N.I.)

[^{F16}51AACommencement 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

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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

F16 S. 51AA inserted (29.4.1996) by Finance Act 1996 (c. 8), s. 155

[^{F17} **51A Gilt-edged securities held under authorised arrangements.**

^{F18}]

Textual Amendments

F17 S. 51A inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 77

F18 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)

[^{F19} **51B Periodic accounting for tax on interest on gilt-edged securities.**

^{F20}]

Textual Amendments

F19 S. 51B inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 78(1)

F20 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.

^{F21}]

Textual Amendments

F21 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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