



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART IX

ANNUAL PAYMENTS AND INTEREST

Annual payments

[^{F1}349A Exceptions to section 349 for payments between companies etc

- (1) The provisions specified in subsection (3) below (which require tax to be deducted on making certain payments) do not apply to a payment made by a company [^{F2}or a local authority] if, at the time the payment is made, the company [^{F3}or authority] reasonably believes that one of the conditions specified in section 349B is satisfied.
- (2) Subsection (1) above has effect subject to any directions under section 349C.
- (3) The provisions are—
 - section 349(1) (certain annuities and other annual payments, and royalties and other sums paid for use of UK patents),
 - section 349(2)(a) and (b) (UK interest),
 - section 349(3A) (dividend or interest on securities issued by building societies), and
 - [^{F4}349ZA(2)] (which provides for section 349(1) to apply to proceeds of sale of UK patent rights).
- (4) References in subsection (3) above to any provision of section 349 do not include that provision as applied—
 - (a) under section 777(9) (directions applying section 349(1) to certain payments to non-residents), or
 - (b) by paragraph 4(2) of Schedule 23A (manufactured overseas dividends to be treated as annual payments within section 349).
- (5) References in this section to the company by which a payment is made do not include a company acting as trustee or agent for another person.

Status: Point in time view as at 06/04/2005. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 349A is up to date with all changes known to be in force on or before 28 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(6) For the purposes of this section—

- [a payment by a partnership is treated as made by a company if any member
^{F5}(a) of the partnership is a company [^{F6}, and
 (b) a payment by a partnership is treated as made by a local authority if any member of the partnership is a local authority].]

Textual Amendments

- F1** Ss. 349A-349D inserted (with application in accordance with s. 85(4) of the amending Act) by [Finance Act 2001 \(c. 9\), s. 85\(1\)](#)
- F2** Words in s. 349A(1) inserted (with application in accordance with s. 94(7) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 94\(1\)\(a\)\(i\)](#)
- F3** Words in s. 349A(1) inserted (with application in accordance with s. 94(7) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 94\(1\)\(a\)\(ii\)](#)
- F4** Words in s. 349A(3) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 150](#), (with Sch. 2)
- F5** Words in s. 349A(6) renumbered as s. 349A(6)(a) (with application in accordance with s. 94(7) of the amending Act) by virtue of [Finance Act 2002 \(c. 23\), s. 94\(1\)\(b\)\(i\)](#)
- F6** S. 349A(6)(b) and preceding word inserted (with application in accordance with s. 94(7) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 94\(1\)\(b\)\(ii\)](#)

Status:

Point in time view as at 06/04/2005. This version of this provision has been superseded.

Changes to legislation:

Income and Corporation Taxes Act 1988, Section 349A is up to date with all changes known to be in force on or before 28 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.