



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIII U.K.

MISCELLANEOUS SPECIAL PROVISIONS

CHAPTER I U.K.

INTELLECTUAL PROPERTY

Copyright and public lending right

536 Taxation of royalties where owner abroad. U.K.

^{M1}(1) Subject to the provisions of this section, where the usual place of abode of the owner of a copyright is not within the United Kingdom, section 349(1) shall apply to any payment of or on account of any royalties or sums paid periodically for or in respect of that copyright as it applies to annual payments not payable out of profits or gains brought into charge to income tax.

(2) In subsection (1) above—

[^{F1}“copyright” does not include copyright in—

- (i) a cinematograph film or video recording, or
- (ii) the sound-track of such a film or recording, so far as it is not separately exploited; and]

“owner of a copyright” includes a person who, notwithstanding that he has assigned a copyright to some other person, is entitled to receive periodical payments in respect of that copyright;

and the reference to royalties or sums paid periodically for or in respect of a copyright does not include royalties or sums paid in respect of copies of works which are shown on a claim to have been exported from the United Kingdom for distribution outside the United Kingdom.

Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 536 is up to date with all changes known to be in force on or before 15 July 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)

- (3) Subject to subsection (4) below, where any payment to which subsection (1) above applies is made through an agent resident in the United Kingdom and that agent is entitled as against the owner of the copyright to deduct any sum by way of commission in respect of services rendered, the amount of the payment shall for the purposes of section 349(1) be taken to be diminished by the sum which the agent is so entitled to deduct.
- (4) Where the person by or through whom the payment is made does not know that any such commission is payable or does not know the amount of any such commission, any income tax deducted by or assessed and charged on him shall be computed in the first instance on, and the account to be delivered of the payment shall be an account of, the total amount of the payment without regard being had to any diminution thereof, and in that case, on proof of the facts on a claim, there shall be made to the agent on behalf of the owner of the copyright such repayment of income tax as is proper in respect of the sum deducted by way of commission.
- (5) The time of the making of a payment to which subsection (1) above applies shall, for all tax purposes, be taken to be the time when it is made by the person by whom it is first made and not the time when it is made by or through any other person.
- (6) Any agreement for the making of any payment to which subsection (1) above applies in full and without deduction of income tax shall be void.

Textual Amendments

- F1** Words in s. 536(2) substituted (1.8.1989) by [Copyright, Designs and Patents Act 1988 \(c. 48\)](#), [Sch. 7 para. 36\(5\)](#); S.I. 1989/816, [art. 2](#)

Modifications etc. (not altering text)

- C1** See—1988 s.387—*sums assessed under s.350 by virtue of s.536 not to be carried forward under s.387 as trading losses.* 1988 s.821—*under-deductions of tax from payments made before passing of annual Act.* [S.I. 1970 No.488](#) (under “*Double Taxation relief: general*” in Part III Vol.5) regns.2-10—*payments exempt under double taxation agreements.*

Marginal Citations

- M1** [Source-1970 s.391](#)

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