



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 5

EMPLOYMENT INCOME: DEDUCTIONS ALLOWED FROM EARNINGS

CHAPTER 2

DEDUCTIONS FOR EMPLOYEE'S EXPENSES

Special rules for earnings with a foreign element

355 Deductions for corresponding payments by non-domiciled employees with foreign employers

- (1) An employee may make a claim to [^{F1}the Commissioners for Her Majesty's Revenue and Customs] under this section if conditions A to D are met.
- (2) Condition A is that the employee is not domiciled in the United Kingdom [^{F2}(and section 835BA of ITA 2007 (deemed domicile) applies for the purposes of this subsection)] .
- (3) Condition B is that the employment is with a foreign employer.
- (4) Condition C is that the employee has made a payment out of earnings from the employment.
- (5) Condition D is that the payment does not reduce the employee's liability to United Kingdom income tax, but was made in circumstances corresponding to those in which it would do so.
- (6) If the [^{F3}Commissioners] are satisfied that conditions A to D are met, they may allow the payment as a deduction under this Chapter.

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 355 is up to date with all changes known to be in force on or before 22 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) View outstanding changes*

Textual Amendments

- F1** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 4 para. 102\(2\)](#); S.I. 2005/1126, art. 2(2)(h)
- F2** Words in s. 355(2) inserted (with effect in accordance with Sch. 8 para. 10(6) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 8 para. 10\(2\)](#)
- F3** Word in s. 355 substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 4 para. 102\(3\)\(f\)](#); S.I. 2005/1126, art. 2(2)(h)

Modifications etc. (not altering text)

- C1** Pt. 5 Ch. 2 restricted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), [Sch. 33 para. 1\(5\)](#) (with Sch. 36)
- C2** S. 355 restricted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), [Sch. 33 para. 1\(5\)](#) (with Sch. 36)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)