



Finance Act 2004

2004 CHAPTER 12

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 6

EXEMPTION FROM INCOME TAX FOR CERTAIN INTEREST AND ROYALTY PAYMENTS

VALID FROM 22/07/2004

Introductory

97 **Introductory**

- (1) This Chapter has effect for the purpose of implementing provisions of Council Directive [2003/49/EC](#) of 3rd June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different member States (“the Directive”).
- (2) In this Chapter—
 - “company” has the same meaning as the expression “company of a member State” has for the purposes of the Directive (see Article 3(a) of the Directive);
 - “debt-claim” has the same meaning as in the Directive;
 - “the Directive” has the meaning given by subsection (1);
 - “EU company” means a company resident in a member State other than the United Kingdom;
 - “interest” and “royalties” have the meaning given by Article 2 of the Directive;

Status: Point in time view as at 17/03/2004. This version of this cross heading contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, Cross Heading: Introductory. (See end of Document for details)

“non-EU permanent establishment” means a permanent establishment in a territory other than a member State;

“UK company” means a company resident in the United Kingdom;

“UK permanent establishment” means a permanent establishment in the United Kingdom.

- (3) The Treasury may by order make such provision amending any reference in this Chapter to, or to a provision of,—
- (a) the Directive, or
 - (b) any instrument referred to in this Chapter by virtue of an order under this subsection,
- as appears to them appropriate for the purpose of giving effect to any Council Directive adopted after 8th April 2004 amending or replacing the Directive.
- (4) The first order under subsection (3) may make provision having effect for periods before the making of the order.
- (5) Subject to subsection (6), this Chapter has effect in relation to payments made on or after 1st January 2004.
- (6) The following provisions have effect in relation to payments made on or after 8th April 2004—
- (a) in section 100(2)(b), the words “and that section 104 (anti-avoidance) does not apply”, and
 - (b) section 104.

Status:

Point in time view as at 17/03/2004. This version of this cross heading contains provisions that are not valid for this point in time.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2004, Cross Heading: Introductory.