



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 6

EXEMPT INCOME

CHAPTER 9

OTHER INCOME

Interest and royalty payments

758 Exemption for certain interest and royalty payments

- (1) No liability to income tax arises in respect of a payment of interest or a payment of a royalty if, at the time the payment is made, conditions A to D are met.
- (2) Condition A is that the person making the payment is—
 - (a) a UK company, but not such a company's permanent establishment in a territory other than the United Kingdom, or
 - (b) a UK permanent establishment of an EU company.

See section 759 as to when a permanent establishment is to be treated as the person making the payment.

- (3) Condition B is that the person beneficially entitled to the income in respect of which the payment is made is an EU company, but not such a company's UK permanent establishment or non-EU permanent establishment.

See section 760 as to when a permanent establishment is to be treated as the person beneficially entitled to the income in respect of which the payment is made.

Status: Point in time view as at 18/11/2015. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 758. (See end of Document for details)

- (4) Condition C is that the company in condition A and the company in condition B are 25% associates (see section 761).
- (5) Condition D is that, if the payment is a payment of interest, [^{F1}the Commissioners for Her Majesty's Revenue and Customs][^{F2}have] issued an exemption notice in accordance with regulations under section 762.
- (6) This section is subject to—
sections 763 and 764 (special relationships), and
section 765 (anti-avoidance).

Textual Amendments

- F1** Words in s. 758(5) substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), ss. 50, 53\(1\), Sch. 4 para. 132\(2\)](#); S.I. 2005/1126, [art. 2\(2\)\(h\)](#)
- F2** Word in s. 758(5) substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), ss. 50, 53\(1\), Sch. 4 para. 133\(6\)](#); S.I. 2005/1126, [art. 2\(2\)\(h\)](#)

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