

Status: Point in time view as at 13/08/2009.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading: Deduction by deposit-takers: discretionary or accumulation settlements. (See end of Document for details)

SCHEDULES

SCHEDULE 2

TRANSITIONALS AND SAVINGS

PART 15

DEDUCTION OF INCOME TAX AT SOURCE

Deduction by deposit-takers: discretionary or accumulation settlements

- 154 (1) A deposit with a deposit-taker which meets the settlement condition in section 856(6) is not a relevant investment for the purposes of Chapter 2 of Part 15 if conditions A and B are met in relation to the deposit.
- (2) Condition A is that the deposit was made before 6 April 1995.
- (3) Condition B is that neither an officer of Revenue and Customs nor any trustee of the settlement has notified the deposit-taker that the deposit meets the settlement condition in section 856(6).
- 155 (1) A notification under paragraph 154(3) given by a trustee must be in the form provided by the Commissioners for Her Majesty's Revenue and Customs.
- (2) A deposit-taker is entitled not to deduct a sum representing income tax under section 851 from a payment of interest on a deposit covered by a notification under paragraph 154(3) if sub-paragraph (3) applies to the payment.
- (3) This sub-paragraph applies to a payment if—
- (a) it is made within 30 days after the date when the deposit-taker receives the notification, and
 - (b) at the time it is made, it is not reasonably practicable for the deposit-taker to deduct a sum representing income tax from the payment.
- (4) If an officer of Revenue and Customs is satisfied that a deposit covered by a notification under paragraph 154(3) does not meet the settlement condition in section 856(6), the officer must—
- (a) cancel the notification, and
 - (b) give notice of the cancellation to the deposit-taker concerned.
- ^{F1}(5)
- (6) For the purposes of this paragraph crediting interest counts as paying it.

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Textual Amendments

- F1** Sch. 2 para. 155(5) omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, **Sch. para. 52**

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