



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 15

#### DEDUCTION OF INCOME TAX AT SOURCE

#### CHAPTER 3

##### DEDUCTION FROM CERTAIN PAYMENTS OF YEARLY INTEREST

##### *Exceptions from duty to deduct*

#### **879 Interest paid on advances from banks**

- (1) The duty to deduct a sum representing income tax under section 874 does not apply to a payment of interest on an advance from a bank if, at the time when the payment is made, the person beneficially entitled to the interest is within the charge to corporation tax as respects the interest [<sup>F1</sup>or is a bank that would be within the charge to corporation tax as respects the interest apart from section 18A of CTA 2009].
- (2) Section 991 (meaning of “bank”) applies for the purposes of this section.
- (3) Subsection (1) applies to the European Investment Bank as if the words from “if” to the end were omitted.
- (4) An order under subsection (2)(e) of section 991 designating an international organisation as a bank may provide that subsection (1) applies to the organisation with the modification mentioned in subsection (3).

#### **Textual Amendments**

**F1** Words in s. 879(1) inserted (19.7.2011) by [Finance Act 2011 \(c. 11\)](#), [Sch. 13 paras. 19, 31](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax Act 2007, Section 879.