



Finance Act 1956

1956 CHAPTER 54

PART VII

MISCELLANEOUS

40 Indian, Pakistan and colonial pensions (income tax and estate duty)

- (1) A pension of any of the following descriptions, that is to say—
- (a) a pension paid under the authority of the Pensions (India, Pakistan and Burma) Act, 1955,
 - (b) a pension paid out of any fund established in the United Kingdom by the Government of any country which is, or forms part of, a colony, protectorate, protected state or United Kingdom trust territory or by a Government constituted for two or more such countries, if the fund was established for the sole purpose of providing pensions, whether contributory or not, payable in respect of service under that Government,
 - (c) a pension paid out of the fund formed under the Oversea Superannuation Scheme (formerly known as the Colonial Superannuation Scheme),

shall not be liable to charge to income tax if it is the income of a person who satisfies the Commissioners of Inland Revenue that he is not resident in the United Kingdom:

Provided that this subsection shall not apply to so much of any pension of the description in paragraph (a) thereof as is paid by virtue of the application to the pension of the Pensions (Increase) Acts, 1944 and 1947, the Pensions (Increase) Act, 1952, the Pensions (Increase) Act, 1954, or the Pensions (Increase) Act, 1956.

- (2) Subsections (3) and (4) of section one hundred and ninety of the Income Tax Act, 1952 (which confer a right of appeal on questions of residence under that section), shall apply to any decision of the Commissioners of Inland Revenue on any question as to residence arising under the foregoing provisions of this section as they apply to such decisions under that section.
- (3) Income derived from investments or deposits of any fund referred to in paragraph (b) or (c) of subsection (1) of this section shall not be charged to income tax, and any

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income tax deducted from any such income shall be repaid by the Commissioners of Inland Revenue to the persons entitled to receive the income.

- (4) For the purposes of the enactments relating to estate duty—
- (a) a pension paid under the authority of the Pensions (India, Pakistan and Burma) Act, 1955, shall be treated as if it had been paid by the Government of India or the Government of Pakistan (according as the arrangements in pursuance of which the pension is paid were made with the one or the other Government), and
 - (b) a pension paid out of a fund referred to in paragraph (b) of subsection (1) of this section shall be treated as if it had been paid by the Government by which the fund was established.
- (5) In this section—
- " pension " includes a gratuity or any sum payable on or in respect of death, and a return of contributions with or without interest thereon or any other addition thereto;
 - " United Kingdom trust territory " means a territory administered by the Government of the United Kingdom under the trusteeship system of the United Nations,
- and references to a Government constituted for two or more countries include references to any authority established for the purpose of providing or administering services which are common to, or relate to matters of common interest to, two or more countries.
- (6) Subsections (1) to (3) of this section shall have effect as respects the year 1955-56 as well as subsequent years of assessment.