

## EXPLANATORY NOTE

These Regulations, which take effect from 6th April 1970 (the commencement date of the Income and Corporation Taxes Act 1970), replace earlier Regulations governing the way in which relief from United Kingdom tax, due on certain payments of interest or royalties, to non-residents by virtue of a double taxation agreement, may be given at source.

They provide for the payment of such interest or royalties without deduction of United Kingdom income tax or for payment under deduction of a limited rate of tax, and for consequential adjustments required to put the payer in the same position as regards his own income tax or corporation tax liability as if the full standard rate of income tax had been deducted.

The Regulations do not apply to dividends.