
STATUTORY INSTRUMENTS

1987 No. 530

The Income Tax (Entertainers and Sportsmen) Regulations 1987

Persons other than entertainers receiving connected payments or transfers

7.—(1) Any description of person in paragraph (2) is a person (not being the entertainer) to whom paragraph 7(1) of Schedule 11 refers.

(2) The descriptions of persons to whom paragraph (1) refers are—

- (a) any person who is under the control of the entertainer;
- (b) any person who is—
 - (i) not resident in the United Kingdom, and
 - (ii) not liable to tax by reason of residence, domicile, place of management or otherwise, in a territory outside the United Kingdom where the rate of tax charged on the profits or income of such a person is a rate exceeding 25 per cent.;
- (c) (i) subject to paragraph (ii), any person in receipt (whether directly or indirectly) of a connected payment or value transferred by a connected transfer which is, is treated as, or falls to be included in the computation of, income arising under a settlement in relation to which the entertainer is a settlor;
(ii) for the purposes of paragraph (i)—
 - “income arising under a settlement” and “settlor” have the meanings given to them by section 454 of the Taxes Act⁽¹⁾, and
 - “settlement” has the meaning given to it by section 444(2) of the Taxes Act;
- (d) (i) any person to whom paragraph (2) of this regulation does not otherwise apply who receives any connected payment or connected transfer (whether directly or indirectly) at or in respect of a time when there is in force between that person and the entertainer concerned a contract or arrangement to which paragraph (ii) applies;
(ii) a contract or arrangement to which paragraph (i) refers is a contract or arrangement by or under which it is reasonable to suppose that the entertainer (or other person who is connected with or is an associate of the entertainer) is, will or may become, entitled to receive amounts, whether by way of cash or other value, not substantially less than the appropriate amount of profits or gains arising from the connected payment or connected transfer to which paragraph 8(1) of Schedule 11 applies.

⁽¹⁾ 1970 c. 10; relevant amendments were made by paragraph 26 of Schedule 24 to the Finance Act 1972 (c. 41).