

---

STATUTORY INSTRUMENTS

---

**1992 No. 2074**

**The Income Tax (Manufactured Interest) Regulations 1992**

**PART V**

**MODIFICATIONS OF SECTION 737 AND SCHEDULE 16 TO THE TAXES ACT**

**Interpretation of Part V**

**13.** In this part of these Regulations, “dividend manufacturer” and “manufactured dividend” have the meanings given by regulation 10.

**Modifications of section 737 and Schedule 16 to the Taxes Act**

**14.—(1)** In the case specified in paragraph (2), section 737 shall apply with the modification prescribed by paragraph (3), and the provision of the Tax Acts prescribed by paragraph (4) shall apply with the modifications prescribed by paragraph (5).

(2) The case specified in this paragraph is where the dividend manufacturer—

- (a) is a company which is not resident in the United Kingdom but carries on a trade through a branch or agency in the United Kingdom, and
- (b) is a market maker in relation to the United Kingdom securities concerned.

(3) The modification prescribed by this paragraph is that section 737 shall apply as if subsection (5A)(a) of that section were omitted.

(4) The provision prescribed by this paragraph is Schedule 16 to the Taxes Act.

(5) The modifications prescribed by this paragraph are that Schedule 16 to the Taxes Act shall apply as if—

- (a) paragraph 3 of that Schedule included a requirement that the amount of any unapproved manufactured payments made by the dividend manufacturer in any period and the income tax in respect of those payments should be shown in any return made by the dividend manufacturer for that period separately from the amount of any approved manufactured payments and the income tax in respect of them;
- (b) paragraph 5(1) of that Schedule did not enable the dividend manufacturer to set income tax borne by deduction on any payment received by it in any accounting period against income tax which it was liable to pay under the Schedule in respect of any unapproved manufactured payment made by it in that period; and
- (c) the reference in paragraph 7 of that Schedule to “section 7(2)” were a reference to “section 11(3)”.