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STATUTORY INSTRUMENTS

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**1995 No. 2052**

**The Income Tax (Manufactured Dividends) (Tradepoint) Regulations 1995**

**PART III**

**MODIFICATIONS OF SECTION 737**

**Interpretation of Part III**

6.—(1) In this Part of these Regulations—

“approved manufactured dividend” means a manufactured dividend in respect of United Kingdom equities which is not an unapproved manufactured payment within the meaning of paragraph 1(1) of Schedule 23A;

“dividend manufacturer” and “manufactured dividend” shall be construed in accordance with subsection (1)(1);

(2) References in this Part of these Regulations to specified subsections, without more, are references to specified subsections of section 737.

**Prescribed persons for the purposes of subsection (7A)**

7. For the purposes of paragraph (b) of subsection (7A), Tradepoint is a recognised investment exchange which is prescribed and, in relation to that exchange, a member in relation to Tradepoint who is a clearing participant is prescribed as a class or description of member of that exchange.

**Modification of subsection (1)**

8. In any case where a dividend manufacturer is a member in relation to Tradepoint and a clearing participant, subsection (1) shall apply in respect of approved manufactured dividends paid by him in any return period only to the extent that the aggregate of those payments exceeds the aggregate of dividends and manufactured dividends received by him in that period.

**Modification of subsection (5A)**

9.—(1) In any case where—

(a) a dividend manufacturer is a member in relation to Tradepoint and a clearing participant, and

(b) the manufactured dividend paid by the dividend manufacturer is not an approved manufactured dividend,

subsection (5A)(2) shall apply with the modification prescribed by paragraph (2) below.

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(1) Subsection (1) of section 737 was substituted by paragraph 3(2) of Schedule 13 to the Finance Act 1991.

(2) Subsection (5A) of section 737 was substituted by paragraph 3(2) of Schedule 13 to the Finance Act 1991.

(2) Subsection (5A) shall apply as if the reference in that subsection to the amount in respect of which relief is not to be given included a reference to the net amount of the manufactured dividend after deduction of tax pursuant to subsection (1).

**Modification of provisions of the Tax Acts where regulation 8 applies**

**10.**—(1) In any case where regulation 8 applies in any return period, the provisions of the Tax Acts relating to the charge to tax under Schedule D shall apply as if—

- (a) the income of the dividend manufacturer consisting of dividends and manufactured dividends received by him in the return period were limited to the amount (if any) by which the aggregate of those dividends and manufactured dividends exceeds the aggregate of approved manufactured dividends paid by him in that period; and
- (b) the dividend manufacturer were not entitled to relief in respect of approved manufactured dividends paid by him in the return period except to the extent that the aggregate of those payments exceeds the aggregate of dividends and manufactured dividends received by him in that period.

(2) In paragraph (1)(b) above “relief” means relief by way of—

- (a) deduction in computing profits or gains; or
- (b) deduction or set off against income or total profits.