
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe circumstances in which a person is to be treated for the purposes of Part 1 of the Tax Credits Act 2002 (c. 21) as being, or as not being, in the United Kingdom.

Regulation 1 provides for the citation and commencement of the Regulations and regulation 2 for interpretation.

Regulation 3 sets out the requirement that a person who is not ordinarily resident in the United Kingdom will not be treated as being in the United Kingdom. This regulation does not apply to Crown servants posted overseas and their partners.

This regulation also provides that a person shall be treated as being ordinarily resident if he is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom. In addition it provides that, for the purposes of working tax credit, a person who is exercising in the United Kingdom his rights as a worker under Council Regulation (EEC) No. 1612/68 or Commission Regulation (EEC) No. 1251/70 or a person with a right to reside under Council Directive No. 68/360/EEC or No. 73/148/EEC shall be treated as being ordinarily resident.

Regulation 4 provides for when a person who is ordinarily resident in the United Kingdom and is temporarily absent from the United Kingdom is treated as being in the United Kingdom.

Regulations 5 and 6 set out when Crown servants posted overseas and their partners are treated as being in the United Kingdom.

Regulation 7 is a transitional provision for people in receipt of the elements of income support and income-based jobseeker's allowance described in section 1(3)(d) of the Tax Credits Act 2002. It exempts certain of those people from the requirement to be ordinarily resident until 5th April 2006.

A regulatory impact assessment in respect of the Tax Credits Act 2002 has been prepared and placed in the Library of each House of Parliament. A copy may be found on the Inland Revenue website (www.inlandrevenue.gov.uk).