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STATUTORY INSTRUMENTS

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**2006 No. 3288**

**INCOME TAX**

**The Exemption from Income Tax for Certain Interest and Royalty Payments (Amendment of Section 757(2) of the Income Tax (Trading and Other Income) Act 2005) Order 2006**

<i>Made</i>	- - - -	<i>11th December 2006</i>
<i>Laid before the House of Commons</i>	- - - -	<i>11th December 2006</i>
<i>Coming into force</i>	- -	<i>1st January 2007</i>

The Treasury make the following Order in exercise of the powers conferred by section 767(1) of the Income Tax (Trading and Other Income) Act 2005(1).

**Citation, commencement and effect**

1.—(1) This Order may be cited as the Exemption from Income Tax for Certain Interest and Royalty Payments (Amendment of Section 757(2) of the Income Tax (Trading and Other Income) Act 2005) Order 2006 and shall come into force on 1st January 2007.

(2) Article 2 has effect in relation to payments made on or after 1st January 2007.

**Amendment of section 757(2) of the Income Tax (Trading and Other Income) Act 2005**

2. In section 757(2) of the Income Tax (Trading and Other Income) Act 2005(2) for “and 2004/76/EC” substitute “, 2004/76/EC and 2006/98/EC(3)”.

11th December 2006

*Dave Watts*  
*Frank Roy*  
Two of the Lords Commissioners of Her Majesty’s Treasury

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(1) [2005 c. 5](#).  
(2) Section 757(2) was amended by [S.I. 2005/2899](#).  
(3) Council Directive [2006/98/EC](#); OJ L363, 20.12.2006, p.129.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends the reference in section 757(2) of the Income Tax (Trading and Other Income) Act 2005 (c. 5) to Council Directive 2003/49/EC of 3rd June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different member States (OJ No L 157, 26.6.03, p49). The Order inserts a reference to a later amending Directive, Council Directive 2006/98/EC adapting certain Directives in the field of taxation, by reason of the accession of Bulgaria and Romania (“the 2006 Directive”) (OJ No L363, 20.12.2006, p.129).

A transposition note setting out how these Regulations implement the requirements of the 2006 Directive is available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

A full regulatory impact assessment has not been produced for this instrument as no impact on business or the private or voluntary sectors is foreseen.