

2001 No. 406

INCOME TAX

**The Income Tax (Deposit-takers) (Interest Payments)
(Amendment) Regulations 2001**

Made - - - - 15th February 2001

Laid before the House of Commons 16th February 2001

Coming into force 9th March 2001

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by sections 480B and 482(11) of the Income and Corporation Taxes Act 1988(a) and sections 132 and 133(2) of the Finance Act 1999(b), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Deposit-takers) (Interest Payments) (Amendment) Regulations 2001 and shall come into force on 9th March 2001.

(2) Regulations 4 to 7 shall have effect in relation to payments of interest by deposit-takers falling within regulation 3 of the principal Regulations that are made or received on or after 6th April 2001.

(3) Regulation 8 shall have effect in relation to declarations under section 481(5)(k) of the Income and Corporation Taxes Act 1988(c) (declaration that person beneficially entitled to payment of interest is not ordinarily resident in the United Kingdom) that are made on or after 6th April 2001.

Interpretation

2. In these Regulations “the principal Regulations” means the Income Tax (Deposit-takers) (Interest Payments) Regulations 1990(d).

Amendments to the principal Regulations

3. Amend the principal Regulations in accordance with the following provisions of these Regulations.

4. In regulation 2 after the definition of “depositor” insert the following definitions—

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- (a) 1988 c. 1. Section 480B was inserted by paragraph 7 of Schedule 5 to the Finance Act 1990 (c. 29). Section 482(11) was amended by paragraph 9(4) and (5) of Schedule 5 to the Finance Act 1990, section 86(8) of the Finance Act 1995 (c. 4) and section 111(3)(b) of, and Part II(17) of Schedule 40 to, the Finance Act 2000 (c. 17).
- (b) 1999 c. 16.
- (c) Section 481(5)(k) was amended by section 86(3) of, and Part VIII(11) of Schedule 29 to, the Finance Act 1995.
- (d) S.I. 1990/2232, amended by S.I. 1992/13 and 1994/295.

““electronic communication” includes any communication by means of a telecommunication system (within the meaning of the Telecommunications Act 1984^(a)); “electronic signature” has the meaning given by section 7(2) of the Electronic Communications Act 2000^(b)”.

5. Renumber regulation 5 as paragraph (1) of that regulation.
6. In regulation 5(1) (as renumbered)—
 - (a) in sub-paragraph (c)(i) for “663” substitute “660B”^(c);
 - (b) in sub-paragraph (e)(ii) omit the words “in writing”.
7. After regulation 5(1) (as renumbered) add the following paragraphs—
 - “(2) A certificate given in accordance with paragraph (1), and a notification given under sub-paragraph (e) of that paragraph, if in writing, shall be signed by the maker of the certificate or notification (“the relevant person”).
 - (3) Where a certificate referred to in paragraph (2) is not in writing, the deposit-taker concerned may—
 - (a) make a declaration in writing on behalf of the relevant person that the particulars contained in the certificate are those recorded in the declaration, and
 - (b) send a copy of the declaration to the relevant person.
 - (4) Subject to any corrections notified by the relevant person to the deposit-taker within the period of 30 days following the date on which the copy of the declaration referred to in paragraph (3) was sent to the relevant person, and incorporated in a revised declaration made by the deposit-taker, any such declaration shall take effect as from the date on which the copy of it was sent to the relevant person in accordance with that paragraph.
 - (5) A certificate or notification referred to in paragraph (2) shall be regarded as being given in writing for the purposes of this regulation if it is given—
 - (a) by telephonic facsimile transmission, or
 - (b) by electronic communication containing an electronic signature of the relevant person.
 - (6) A declaration made by the deposit-taker in accordance with paragraph (3) shall be regarded as made in writing for the purposes of this regulation if it is produced by electronic means; and the copy of a declaration to be sent to the relevant person in accordance with paragraph (3) may be sent by telephonic facsimile transmission or by electronic communication.”.
8. After regulation 13 add the following regulation—

“Form of declaration under section 481(5)(k) of the Taxes Act

14.—(1) Notwithstanding section 481(5)(k) of the Taxes Act (declaration that person beneficially entitled to deposit interest is not ordinarily resident in the United Kingdom to be made in writing), a declaration under that provision may be made by means of electronic communication.

- (2) Where a declaration under that provision (“the original declaration”) is not in writing, the deposit-taker may—
 - (a) make a declaration in writing (“the deposit-taker declaration”), on behalf of the person who made the original declaration, that the particulars contained in the original declaration are those recorded in the deposit-taker declaration, and
 - (b) send a copy of the deposit-taker declaration to that person.
- (3) Subject to any corrections notified by that person to the deposit-taker within the period of 30 days following the date on which the copy of the deposit-taker declaration was

(a) 1984 c. 12.

(b) 2000 c. 7.

(c) Section 660B of the Income and Corporation Taxes Act 1988 was inserted by paragraph 1 of Schedule 17 to the Finance Act 1995 (c. 4) and amended by section 64(1) to (3) of the Finance Act 1999 (c. 16).

sent to that person, and incorporated in a revised declaration made by the deposit-taker, the deposit-taker declaration shall take effect as from the date on which the copy of it was sent to that person.

(4) A declaration shall be regarded as given in writing for the purposes of this regulation if it is given—

- (a) by telephonic facsimile transmission, or
- (b) by electronic communication containing an electronic signature of the person making it.

(5) A deposit-taker declaration made in accordance with paragraph (2) or (3) of this regulation shall be regarded as made in writing if it is produced by electronic means; and the copy of the deposit-taker declaration to be sent to a person in accordance with paragraph (2)(b) may be sent by telephonic facsimile transmission or by electronic communication.”.

15th February 2001

Tim Flesher
Dave Hartnett
Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Deposit-takers) (Interest Payments) Regulations 1990 (S.I. 1990/2232) (“the principal Regulations”) in relation to payments of interest by deposit-takers made or received on or after 6th April 2001 and declarations made on or after that date to the effect that the person beneficially entitled to a payment of interest is not ordinarily resident in the United Kingdom.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulation 3 introduces regulations 4 to 8.

Regulation 4 inserts definitions of “electronic communication” and “electronic signature” in regulation 2 of the principal Regulations by reason of the amendments made by regulations 7 and 8.

Regulations 5 to 7 amend regulation 5 of the principal Regulations in relation to cases where certificates of non-liability to tax under that regulation are made otherwise than in writing. Regulation 6(a) also updates a reference in regulation 5 to a provision of the Income and Corporation Taxes Act 1988 (c. 1).

Regulation 8 adds regulation 14 to the principal Regulations so as to provide that declarations that the person beneficially entitled to the payment of deposit interest is not ordinarily resident in the United Kingdom may be made by means of electronic communication.

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