



# Finance Act 2002

## 2002 CHAPTER 23

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 2

#### OTHER PROVISIONS

#### *Deduction of tax*

#### 96 Cross-border royalties

<sup>F1</sup>(1) .....

<sup>F1</sup>(2) .....

(3) In section 98 of the Taxes Management Act 1970 (c. 9) (special returns etc)—

<sup>F2</sup>(a) .....

(b) after subsection (4C) insert—

“(4D) A payment is within this subsection if—

- (a) it is a payment to which section 349(1) of the principal Act (requirement to deduct tax) applies,
- (b) it is made by a company which, purporting to rely on section 349E(1) of that Act (power for companies to take account of double taxation treaty relief when paying royalties), deducts less tax from the payment than required by section 349(1) of that Act, and
- (c) at the time the payment is made the payee (within the meaning of section 349E of that Act) is not entitled to relief in respect of the payment under any arrangements under

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**Changes to legislation:** *There are currently no known outstanding effects for the Finance Act 2002, Section 96. (See end of Document for details)*

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section 788 of that Act (double taxation relief) and the company—

- (i) does not believe that it is entitled to such relief, or
- (ii) if it does so believe, cannot reasonably do so.”.

(4) This section applies in relation to payments made on or after 1st October 2002.

**Textual Amendments**

- F1** S. 96(1)(2) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F2** S. 96(3)(a) repealed (with effect in accordance with Sch. 43 Pt. 5(3) Note of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(3\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2002, Section 96.