
Changes to legislation: There are currently no known outstanding effects for the Taxation
(International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

SCHEDULES

SCHEDULE 6

Section 370

UK REPRESENTATIVES OF NON-UK RESIDENTS

PART 1

NEW CHAPTERS 2B AND 2C OF PART 14 OF ITA 2007

1 After section 835B of ITA 2007 (which is inserted by Schedule 7) insert—

“CHAPTER 2B

UK REPRESENTATIVE OF NON-UK RESIDENT

Introduction

835C Overview of Chapter

- (1) This Chapter provides for a branch or agency to be treated as the UK representative of a non-UK resident in respect of certain amounts chargeable to income tax.
- (2) For obligations and liabilities in relation to income tax imposed on a branch or agency which under this Chapter is treated as the UK representative of a non-UK resident, see Chapter 2C.”

2 After section 835C insert—

“835D Income tax chargeable on company's income: application

This Chapter does not apply in relation to income tax chargeable on income of a company otherwise than as a trustee.”

3 After section 835D insert—

“Branches and agencies

835E Branch or agency treated as UK representative

- (1) This section applies if a non-UK resident carries on (alone or in partnership) any trade, profession or vocation through a branch or agency in the United Kingdom.
- (2) The branch or agency is the UK representative of the non-UK resident in relation to—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

- (a) the amount of any income from the trade, profession or vocation that arises (directly or indirectly) through or from the branch or agency, and
 - (b) the amount of any income from property or rights which are used by, or held by or for, the branch or agency.
- (3) The following rules are to be applied for the purposes of subsection (2) and Chapter 2C in relation to an amount within that subsection.
- Rule 1* The UK representative continues to be the UK representative of the non-UK resident in relation to the amount even after ceasing to be a branch or agency through which the non-UK resident carries on the trade, profession or vocation concerned.
- Rule 2* The UK representative is treated in relation to the amount as a distinct and separate person from the non-UK resident (if the representative would not otherwise be so treated).
- Rule 3* If the branch or agency is carried on by persons in partnership, the partnership, as such, is treated in relation to the amount as the UK representative of the non-UK resident.
- (4) For further rules that apply where a trade or profession carried on by a non-UK resident in the United Kingdom is carried on in partnership, see section 835F.
- (5) This section needs to be read with sections 835G to 835K (which provide for descriptions of persons who are not to be regarded as the UK representative of a non-UK resident if certain conditions are met).”

4 After section 835E insert—

“835F Trade or profession carried on in partnership

- (1) Subsection (2) applies if a trade or profession carried on by a non-UK resident through a branch or agency in the United Kingdom is carried on by the non-UK resident in partnership.
- (2) The trade or profession carried on through the branch or agency is, for the purposes of section 835E and Chapter 2C, to be treated as including the notional trade or profession.
- (3) Subsection (4) applies (in addition to subsection (2) if that subsection also applies) if—
 - (a) a trade or profession carried on by a non-UK resident in the United Kingdom is carried on by the non-UK resident in partnership, and
 - (b) any member of the partnership is resident in the United Kingdom.
- (4) The notional trade or profession is, for the purposes of section 835E and Chapter 2C, to be treated as being a trade carried on in the United Kingdom through the partnership as such.
- (5) In this section “the notional trade or profession” means the notional trade from which the non-UK resident's share in the partnership's profits or losses is treated for the purposes of section 852 of ITTOIA 2005 as deriving.”

5 After section 835F insert—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

“Persons who are not UK representatives

835G Agents

- (1) This section applies if a non-UK resident carries on (alone or in partnership) a business through an agent in the United Kingdom.
- (2) The agent is not the UK representative of the non-UK resident in relation to an amount within section 835E(2) arising to the non-UK resident from—
 - (a) so much of the non-UK resident's business as relates to disregarded transactions, or
 - (b) property or rights which, as a result of disregarded transactions, are used by, or held by or for, the agent on behalf of the non-UK resident.
- (3) “Disregarded transactions” are transactions—
 - (a) carried out through the agent in the United Kingdom, and
 - (b) in respect of which the agent does not act in the course of carrying on a regular agency for the non-UK resident.”

6 After section 835G insert—

“835H Brokers

- (1) This section applies if a non-UK resident carries on (alone or in partnership) a business through a broker in the United Kingdom.
- (2) The broker is not the UK representative of the non-UK resident in relation to an amount within section 835E(2) if—
 - (a) the amount is transaction income in relation to a transaction carried out through the broker in the United Kingdom on behalf of the non-UK resident, and
 - (b) the independent broker conditions are met in relation to the transaction (see section 835L).
- (3) In subsection (2) “transaction income”, in relation to a transaction carried out through a broker in the United Kingdom on behalf of a non-UK resident, has the same meaning as in Chapter 1 (see section 814(5)).”

7 After section 835H insert—

“835I Investment managers

- (1) This section applies if a non-UK resident carries on (alone or in partnership) a business through an investment manager in the United Kingdom.
- (2) The investment manager is not the UK representative of the non-UK resident in relation to an amount within section 835E(2) if—
 - (a) the amount is transaction income in relation to an investment transaction carried out through the investment manager in the United Kingdom on behalf of the non-UK resident, and
 - (b) the independent investment manager conditions are met in relation to the investment transaction (see section 835M).

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

- (3) In subsection (2) “transaction income”, in relation to a transaction carried out through an investment manager in the United Kingdom on behalf of a non-UK resident, has the same meaning as in Chapter 1 (see section 814(5)).”

8 After section 835I insert—

“835J Persons acting under alternative finance arrangements

- (1) Subsection (2) applies if an amount within section 835E(2) arising to a non-UK resident consists of alternative finance return.
- (2) Neither of the following is the UK representative of the non-UK resident in relation to the amount—
- (a) the other party to the alternative finance arrangements,
 - (b) any other person acting for the non-UK resident in relation to the alternative finance arrangements.
- (3) In subsection (1) “alternative finance return” means alternative finance return within the application of section 564I, 564K or 564L(2) or (3).
- (4) In subsection (2) the reference to “the alternative finance arrangements” is a reference to the alternative finance arrangements under which the alternative finance return mentioned in subsection (1) arises.”

9 After section 835J insert—

“835K Lloyd's agents

- (1) This section applies if—
- (a) a non-UK resident (“X”) is a member of Lloyd's, and
 - (b) an amount within section 835E(2) arises to X from X's underwriting business.
- (2) A person who has been X's members' agent or the managing agent of the syndicate in question is not the UK representative of X in relation to the amount or to matters connected with the amount.
- (3) For the purposes of this section—
- (a) X is a member of Lloyd's if X is a member within the meaning of Chapter 3 of Part 2 of FA 1993, and
 - (b) “members' agent” and “managing agent” are to be construed in accordance with section 184 of that Act.”

10 After section 835K insert—

“The independent broker conditions

835L The independent broker conditions

- (1) The independent broker conditions are met in relation to a transaction carried out on behalf of a non-UK resident by a broker in the United Kingdom if conditions A to D are met.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

- (2) Condition A is that at the time of the transaction the broker is carrying on the business of a broker.
- (3) Condition B is that the transaction is carried out in the ordinary course of that business.
- (4) Condition C is that the remuneration which the broker receives in respect of the transaction for the provision of the services of a broker to the non-UK resident is not less than is customary for that class of business.
- (5) Condition D is that the broker does not fall (apart from this subsection) to be treated under this Chapter, or under Chapter 1 of Part 7A of TCGA 1992, as a UK representative of the non-UK resident in relation to any amounts that—
 - (a) are not included in transaction income in relation to the transaction (see section 835H(2) and (3)), and
 - (b) are chargeable to tax for the same tax year as that transaction income.”

11 After section 835L insert—

“The independent investment manager conditions

835M The independent investment manager conditions

- (1) The independent investment manager conditions are met in relation to an investment transaction carried out on behalf of a non-UK resident by an investment manager in the United Kingdom if conditions A to E are met.
- (2) Condition A is that at the time of the transaction the investment manager is carrying on a business of providing investment management services.
- (3) Condition B is that the transaction is carried out in the ordinary course of that business.
- (4) Condition C is that, when the investment manager acts on behalf of the non-UK resident in relation to the transaction, the relationship between them, having regard to its legal, financial and commercial characteristics, is a relationship between persons carrying on independent businesses dealing with each other at arm's length.
- (5) Condition D is that the requirements of the 20% rule are met (see section 835N).
- (6) Condition E is that the remuneration which the investment manager receives in respect of the transaction for the provision of investment management services to the non-UK resident is not less than is customary for that class of business.”

12 After section 835M insert—

“835N Investment managers: the 20% rule

- (1) The requirements of the 20% rule are met if conditions A and B are met.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

- (2) Condition A is that, in relation to a qualifying period, it has been or is the intention of the investment manager and the persons connected with the investment manager that at least 80% of the non-UK resident's relevant disregarded income should consist of amounts to which none of them has a beneficial entitlement.
- (3) Condition B is that, so far as there is a failure to fulfil that intention, that failure—
 - (a) is attributable (directly or indirectly) to matters outside the control of the investment manager and persons connected with the investment manager, and
 - (b) does not result from a failure by any of them to take such steps as may be reasonable for mitigating the effect of those matters in relation to the fulfilment of that intention.”

13 After section 835N insert—

“835O Meaning of “qualifying period”, “relevant disregarded income” and “beneficial entitlement”

- (1) This section applies for the purposes of this Chapter.
- (2) A “qualifying period” means—
 - (a) the tax year in which the transaction income mentioned in section 835I(2) is chargeable to tax, or
 - (b) a period of not more than 5 years comprising two or more tax years including that one.
- (3) The “relevant disregarded income” of the non-UK resident for a qualifying period is the total of the non-UK resident's income for the tax years comprised in the qualifying period which derives from investment transactions—
 - (a) carried out by the investment manager on the non-UK resident's behalf, and
 - (b) in relation to which the independent investment manager conditions are met, ignoring the requirements of the 20% rule.
- (4) A person has a “beneficial entitlement” to relevant disregarded income if the person has or may acquire a beneficial entitlement that is, or would be, attributable to the relevant disregarded income as a result of having an interest or other rights mentioned in subsection (5).
- (5) The interests and rights referred to in subsection (4) are—
 - (a) an interest (whether or not an interest giving a right to an immediate payment of a share in the profits or gains) in property in which the whole or any part of the relevant disregarded income is represented, or
 - (b) an interest in, or other rights in relation to, the non-UK resident.”

14 After section 835O insert—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

“835P Treatment of transactions where 20% rule not met

- (1) This section applies in the case of an investment transaction in relation to which the independent investment manager conditions are met, except for the requirements of the 20% rule.
- (2) This Chapter has effect as if the requirements of that rule were met in relation to the transaction, but only in relation to so much of the transaction income in relation to the transaction (see section 835I(2) and (3)) as does not represent an amount—
 - (a) which is relevant disregarded income of the non-UK resident, and
 - (b) to which the investment manager or a person connected with the investment manager has or has had any beneficial entitlement.”

15 After section 835P insert—

“835Q Application of 20% rule to collective investment schemes

- (1) This section applies if amounts arise or accrue to the non-UK resident as a participant in a collective investment scheme.
- (2) It applies for the purposes of determining whether the requirements of the 20% rule are met in relation to a transaction carried out for the purposes of the scheme (so far as the transaction is one in respect of which amounts so arise or accrue).
- (3) In applying this section make the following assumptions—
 - (a) that all the transactions carried out for the purposes of the scheme are carried out on behalf of a company (“the assumed company”) which is—
 - (i) constituted for the purposes of the scheme, and
 - (ii) non-UK resident, and
 - (b) that the participants do not have any rights in respect of the amounts arising or accruing in respect of those transactions, other than the rights which, if they held shares in the assumed company, would be their rights as shareholders.
- (4) If the scheme is such that the assumed company would not be regarded for tax purposes as carrying on a trade in the United Kingdom in relation to the tax year in which the transaction income mentioned in section 835I(2) is chargeable to tax, the requirements of the 20% rule are treated as met in relation to a transaction carried out for the purposes of the scheme.
- (5) If the scheme is such that the assumed company would be so regarded for tax purposes, sections 835N to 835P have effect in relation to a transaction carried out for the purposes of the scheme with the modifications in subsection (6).
- (6) The modifications are—
 - (a) for references to the non-UK resident substitute references to the assumed company, and
 - (b) for references to the non-UK resident's relevant disregarded income for a qualifying period substitute references to the sum of the

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

amounts that would, for tax years comprised in the qualifying period, be chargeable to tax on the assumed company as profits deriving from the transactions—

- (i) carried out by the investment manager, and
- (ii) assumed to be carried out on behalf of the company.

(7) In this section—

“collective investment scheme” has the meaning given by section 235 of FISMA 2000, and

“participant”, in relation to a collective investment scheme, is construed in accordance with that section.”

16 After section 835Q insert—

“Supplementary

835R Supplementary provision

(1) For the purposes of this Chapter a person is to be regarded as carrying out a transaction on behalf of another if the person—

- (a) undertakes the transaction, whether on behalf of or to the account of the other, or
- (b) gives instructions for it to be so carried out by another.

(2) In the case of a person who acts as a broker or investment manager as part only of a business, this Chapter has effect as if that part were a separate business.”

17 After section 835R insert—

“835S Interpretation of Chapter

(1) This section applies for the purposes of this Chapter.

(2) “Branch or agency” means any factorship, agency, receivership, branch or management.

(3) “Investment manager” has the same meaning as in Chapter 1 (see section 827).

(4) “Investment transaction” means any transaction of a description specified for the purposes of this section in regulations made by the Commissioners for Her Majesty's Revenue and Customs.

(5) Provision made in regulations under subsection (4) may, in particular, have effect in relation to the tax year current on the day on which the regulations are made.”

18 After section 835S insert—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

“CHAPTER 2C

INCOME TAX OBLIGATIONS AND LIABILITIES IMPOSED ON UK REPRESENTATIVES

835T Introduction to Chapter

- (1) This Chapter applies to the enactments relating to income tax so far as they make provision for or in connection with the assessment, collection and recovery of tax, or of interest on tax.
- (2) Those enactments have effect in accordance with section 835U in relation to amounts in respect of which a branch or agency is to be treated as the UK representative of a non-UK resident under Chapter 2B.
- (3) In this section “enactment” includes an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978.”

19 After section 835T insert—

“835U Obligations and liabilities of UK representative

- (1) The obligations and liabilities of a non-UK resident are to be treated, for the purposes of the enactments to which this Chapter applies, as if they were also the obligations and liabilities of the UK representative of the non-UK resident.
- (2) Subsection (3) applies if—
 - (a) the UK representative of a non-UK resident discharges an obligation or liability imposed by this section that corresponds to one to which the non-UK resident is subject, or
 - (b) a non-UK resident discharges an obligation or liability that corresponds to one to which the non-UK resident's UK representative is subject by virtue of this section.
- (3) The corresponding obligation or liability—
 - (a) of the non-UK resident (in a case within subsection (2)(a)), or
 - (b) of the UK representative (in a case within subsection (2)(b)),is discharged.
- (4) A non-UK resident is bound, as if they were the non-UK resident's own, by acts or omissions of the non-UK resident's UK representative in the discharge of the obligations and liabilities imposed on the representative by this section.
- (5) This section is subject to sections 835V and 835W.”

20 After section 835U insert—

“835V Exceptions: notices and information

- (1) An obligation or liability attaching to a non-UK resident (“X”) by reason of a notice or other document having been given or served on X does not also attach to the UK representative of X by virtue of section 835U unless the

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

notice or other document (or a copy of it) has been given to or served on the representative.

- (2) An obligation or liability attaching to X by reason of a request or demand having been received by X does not also attach to the UK representative of X by virtue of section 835U unless the representative has been notified of the request or demand.
- (3) Subsection (4) applies to obligations relating to the provision of information that are imposed on the UK representative of X by section 835U in a case where the representative is X's independent agent.
- (4) The obligations do not require the UK representative to do anything except so far as it is practicable for the representative to do so.
- (5) For this purpose, the representative must act to the best of the representative's knowledge and belief after taking all reasonable steps to obtain the necessary information.
- (6) An obligation of X to provide information is not discharged by virtue of section 835U in a case where the UK representative of X has discharged the obligation only so far as required by subsection (4) of this section.
- (7) X is not bound by virtue of section 835U by mistakes in information provided by the UK representative of X in discharging, so far as required under subsection (4) of this section, an obligation imposed on the representative by section 835U unless—
 - (a) the mistake is the result of an act or omission of X, or
 - (b) the mistake is one to which X consented or in which X connived.
- (8) In this section “information” includes anything contained in a return, self-assessment, account, statement or report required to be provided to the Commissioners for Her Majesty's Revenue and Customs or to any officer of Revenue and Customs.”

21 After section 835V insert—

“835W Exceptions: criminal offences and penalties etc

- (1) A person is not by virtue of section 835U liable to be proceeded against for a criminal offence unless the person—
 - (a) committed the offence, or
 - (b) consented to or connived in its commission.
- (2) An independent agent of a non-UK resident is not by virtue of section 835U liable to any civil penalty or surcharge in respect of an act or omission if conditions A and B are met.
- (3) Condition A is that the act or omission is not—
 - (a) an act or omission of the independent agent, or
 - (b) an act or omission to which the agent consented or in which the agent connived.
- (4) Condition B is that the independent agent is able to show that the amount of the penalty or surcharge will not be recoverable out of the sums mentioned

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

in section 835X(3) (after being indemnified for any other liabilities under section 835X).”

22 After section 835W insert—

“835X Indemnities

- (1) An independent agent of a non-UK resident is entitled to be indemnified for the amount of any liability of the non-UK resident which the agent has discharged by virtue of section 835U.
- (2) An independent agent of a non-UK resident is entitled to retain, from the sums mentioned in subsection (3), amounts sufficient to meet any liabilities which by virtue of section 835U the agent has discharged or to which the agent is subject.
- (3) The sums are those which—
 - (a) (ignoring subsection (2)) are due from the independent agent to the non-UK resident, or
 - (b) are received by the independent agent on behalf of the non-UK resident.”

23 After section 835X insert—

“835Y Meaning of “independent agent”

- (1) In this Chapter “independent agent”, in relation to a non-UK resident (“X”), means a person who is the UK representative of X in respect of any agency in which the person is acting on behalf of X in an independent capacity.
- (2) For this purpose a person does not act in an independent capacity on behalf of X unless the relationship between them, having regard to its legal, financial and commercial characteristics, is a relationship between persons carrying on independent businesses dealing with each other at arm's length.”

PART 2

NEW PART 7A OF TCGA 1992

24 After section 271 of TCGA 1992 insert—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

“PART 7A

UK REPRESENTATIVES OF NON-UK RESIDENTS

CHAPTER 1

TREATMENT OF BRANCH OR AGENCY AS UK REPRESENTATIVE OF NON-UK RESIDENT

Introduction

271A Overview of Chapter

- (1) This Chapter provides for a branch or agency to be treated as the UK representative of a non-UK resident in respect of certain amounts chargeable to capital gains tax.
- (2) For obligations and liabilities in relation to capital gains tax imposed on a branch or agency which under this Chapter is treated as the UK representative of a non-UK resident, see Chapter 2.”

25 After section 271A insert—

“Branches and agencies

271B Branch or agency treated as UK representative

- (1) This section applies if—
 - (a) a non-UK resident carries on (alone or in partnership) any trade, profession or vocation through a branch or agency in the United Kingdom, and
 - (b) the branch or agency is to be treated under Chapter 2B of Part 14 of ITA 2007 as the UK representative of the non-UK resident in relation to amounts within section 835E(2) of that Act.
- (2) The branch or agency is the UK representative of the non-UK resident in relation to amounts which, by reference to the branch or agency, are chargeable to capital gains tax under section 10 above.
- (3) The following rules are to be applied for the purposes of subsection (2) and Chapter 2 in relation to an amount within that subsection.

Rule 1 The UK representative continues to be the UK representative of the non-UK resident in relation to the amount even after ceasing to be a branch or agency through which the non-UK resident carries on the trade, profession or vocation concerned.

Rule 2 The UK representative is treated in relation to the amount as a distinct and separate person from the non-UK resident (if the representative would not otherwise be so treated).

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

Rule 3 If the branch or agency is carried on by persons in partnership, the partnership, as such, is treated in relation to the amount as the UK representative of the non-UK resident.

- (4) For further rules that apply where a trade or profession carried on by a non-UK resident in the United Kingdom is carried on in partnership, see section 271C.”

26 After section 271B insert—

“271C Trade or profession carried on in partnership

- (1) Subsection (2) applies if a trade or profession carried on by a non-UK resident through a branch or agency in the United Kingdom is carried on by the non-UK resident in partnership.
- (2) The trade or profession carried on through the branch or agency is, for the purposes of section 271B and Chapter 2, to be treated as including the notional trade or profession.
- (3) Subsection (4) applies (in addition to subsection (2) if that subsection also applies) if—
- (a) a trade or profession carried on by a non-UK resident in the United Kingdom is carried on by the non-UK resident in partnership, and
 - (b) any member of the partnership is resident in the United Kingdom.
- (4) The notional trade or profession is, for the purposes of section 271B and Chapter 2, to be treated as being a trade carried on in the United Kingdom through the partnership as such.
- (5) In this section “the notional trade or profession” means the notional trade from which the non-UK resident's share in the partnership's profits or losses is treated for the purposes of section 852 of ITTOIA 2005 as deriving.”

27 After section 271C insert—

“271D Interpretation of Chapter

In this Chapter—

“branch or agency” means any factorship, agency, receivership, branch or management, and

“non-UK resident” means a person who is not resident in the United Kingdom.”

28 After section 271D insert—

“CHAPTER 2

CAPITAL GAINS TAX OBLIGATIONS AND
LIABILITIES IMPOSED ON UK REPRESENTATIVES

271E Introduction to Chapter

- (1) This Chapter applies to the enactments contained in—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

(a) this Act,
 (b) the Tax Acts, and
 (c) subordinate legislation made under this Act or the Tax Acts,
 so far as they make provision for or in connection with the assessment,
 collection and recovery of tax, or of interest on tax.

(2) Those enactments have effect in accordance with section 271F in relation to amounts in respect of which a branch or agency is to be treated as the UK representative of a non-UK resident under Chapter 1.

(3) In this section “subordinate legislation” has the same meaning as in the Interpretation Act 1978.”

29 After section 271E insert—

“271F Obligations and liabilities of UK representative

(1) The obligations and liabilities of a non-UK resident are to be treated, for the purposes of the enactments to which this Chapter applies, as if they were also the obligations and liabilities of the UK representative of the non-UK resident.

(2) Subsection (3) applies if—

- (a) the UK representative of a non-UK resident discharges an obligation or liability imposed by this section that corresponds to one to which the non-UK resident is subject, or
- (b) a non-UK resident discharges an obligation or liability that corresponds to one to which the non-UK resident's UK representative is subject by virtue of this section.

(3) The corresponding obligation or liability—

- (a) of the non-UK resident (in a case within subsection (2)(a)), or
 - (b) of the UK representative (in a case within subsection (2)(b)),
- is discharged.

(4) A non-UK resident is bound, as if they were the non-UK resident's own, by acts or omissions of the non-UK resident's UK representative in the discharge of the obligations and liabilities imposed on the representative by this section.

(5) This section is subject to sections 271G and 271H.”

30 After section 271F insert—

“271G Exceptions: notices and information

(1) An obligation or liability attaching to a non-UK resident (“X”) by reason of a notice or other document having been given or served on X does not also attach to the UK representative of X by virtue of section 271F unless the notice or other document (or a copy of it) has been given to or served on the representative.

(2) An obligation or liability attaching to X by reason of a request or demand having been received by X does not also attach to the UK representative of

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

X by virtue of section 271F unless the representative has been notified of the request or demand.

- (3) Subsection (4) applies to obligations relating to the provision of information that are imposed on the UK representative of X by section 271F in a case where the representative is X's independent agent.
- (4) The obligations do not require the UK representative to do anything except so far as it is practicable for the representative to do so.
- (5) For this purpose, the representative must act to the best of the representative's knowledge and belief after taking all reasonable steps to obtain the necessary information.
- (6) An obligation of X to provide information is not discharged by virtue of section 271F in a case where the UK representative of X has discharged the obligation only so far as required by subsection (4) of this section.
- (7) X is not bound by virtue of section 271F by mistakes in information provided by the UK representative of X in discharging, so far as required under subsection (4) of this section, an obligation imposed on the representative by section 271F unless—
 - (a) the mistake is the result of an act or omission of X, or
 - (b) the mistake is one to which X consented or in which X connived.
- (8) In this section “information” includes anything contained in a return, self-assessment, account, statement or report required to be provided to the Commissioners for Her Majesty's Revenue and Customs or to any officer of Revenue and Customs.”

31 After section 271G insert—

“271H Exceptions: criminal offences and penalties etc

- (1) A person is not by virtue of section 271F liable to be proceeded against for a criminal offence unless the person—
 - (a) committed the offence, or
 - (b) consented to or connived in its commission.
- (2) An independent agent of a non-UK resident is not by virtue of section 271F liable to any civil penalty or surcharge in respect of an act or omission if conditions A and B are met.
- (3) Condition A is that the act or omission is not—
 - (a) an act or omission of the independent agent, or
 - (b) an act or omission to which the agent consented or in which the agent connived.
- (4) Condition B is that the independent agent is able to show that the amount of the penalty or surcharge will not be recoverable out of the sums mentioned in section 271I(3) (after being indemnified for any other liabilities under section 271I).”

32 After section 271H insert—

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6. (See end of Document for details)

“271I Indemnities

- (1) An independent agent of a non-UK resident is entitled to be indemnified for the amount of any liability of the non-UK resident which the agent has discharged by virtue of section 271F.
- (2) An independent agent of a non-UK resident is entitled to retain, from the sums mentioned in subsection (3), amounts sufficient to meet any liabilities which by virtue of section 271F the agent has discharged or to which the agent is subject.
- (3) The sums are those which—
 - (a) (ignoring subsection (2)) are due from the independent agent to the non-UK resident, or
 - (b) are received by the independent agent on behalf of the non-UK resident.”

33 After section 271I insert—

“271J Meaning of “non-UK resident” and “independent agent”

- (1) In this Chapter “non-UK resident” means a person who is not resident in the United Kingdom.
- (2) In this Chapter “independent agent”, in relation to a non-UK resident (“X”), means a person who is the UK representative of X in respect of any agency in which the person is acting on behalf of X in an independent capacity.
- (3) For this purpose a person does not act in an independent capacity on behalf of X unless the relationship between them, having regard to its legal, financial and commercial characteristics, is a relationship between persons carrying on independent businesses dealing with each other at arm's length.”

Changes to legislation:

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, SCHEDULE 6.