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SCHEDULES

SCHEDULE 6

DEDUCTION OF INCOME TAX AT SOURCE

PART 3

AMENDMENTS OF OR RELATING TO CHAPTER 2 OF PART 15 OF ITA 2007

Amendments of Chapter 2 of Part 15 of ITA 2007

- 3 Chapter 2 of Part 15 of ITA 2007 (deduction of income tax at source by deposit-takers and building societies) is amended in accordance with paragraphs 4 to 18.
- 4 For the Chapter heading substitute “ Meaning of “relevant investment” for purposes of section 876 ”.
- 5 (1) Section 850 (overview of Chapter) is amended as follows.
- (2) For subsection (1) substitute—
- “(1) This Chapter has effect for the purposes of section 876 (duty under section 874 to deduct tax from payments of yearly interest: exception for deposit-takers).”
- (3) Omit subsection (2) (which introduces sections 851 and 852).
- (4) In subsection (4)(b) (which introduces sections 858 to 870), for “858” substitute “ 863 ”.
- (5) In subsection (5) (which introduces sections 871 to 873), for “871 to” substitute “ 872 and ”.
- (6) In subsection (6) (interpretation), for the words from “Chapter—” to “crediting” substitute “ Chapter, crediting ”.
- 6 Omit section 852 (power to disapply section 851).
- 7 In section 853(1) (meaning of “deposit-taker”), after “In this Chapter” insert “ and section 876 ”.
- 8 In section 854(3) (meaning of “relevant investment” in section 851(1)(b)), for “851(1)(b)” substitute “ 876(1)(b) ”.
- 9 For section 855(1) (meaning of “investment”) substitute—
- “(1) In this Chapter, and section 876, “investment” means a deposit with a deposit-taker.”
- 10 (1) Section 856 (meaning of “relevant investment”) is amended as follows.
- (2) In subsection (1), for “this Chapter” substitute “ section 876 ”.

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- (3) In subsection (2) (exceptions), for “858” substitute “ 863 ”.
- 11 In section 857 (treating investments as being or not being relevant investments) omit “or building society” in each place.
- 12 Omit—
- (a) sections 858 to 861 (investments which are not relevant investments and in relation to which duty under section 874 does not apply), and
 - (b) the italic heading preceding section 858.
- 13 In the italic heading preceding section 863, for “Other investments” substitute “ Investments ”.
- 14 In sections 863, 864, 865 and 868(4) (investments with deposit-takers or building societies) omit “or building society” in each place.
- 15 Omit sections 868(3), 869 and 870(2) (investments with building societies).
- 16 Omit section 871 (power to make regulations to give effect to Chapter).
- 17 In section 872 (power to amend Chapter)—
- (a) in subsection (2) (different provision for different deposit-takers)—
 - (i) for “which amends this Chapter in its application to deposit-takers may do so” substitute “ may amend this Chapter ”, and
 - (ii) in each of paragraphs (a) and (b), for “relation” substitute “ its application ”, and
 - (b) omit subsections (4) and (5) (which refer to provisions repealed by this Act).
- 18 Omit section 873(3) to (6) (interpretation of section 861).

Amendments relating to Chapter 2 of Part 15 of ITA 2007

- 19 In Schedule 12 to FA 1988 (transfer of building society's business to a company), in paragraph 6(1) (treatment for tax purposes of benefits conferred in connection with a transfer) omit—
- (a) “either”, and
 - (b) paragraph (b) (benefit not to be subject to deduction of tax under Chapter 2 of Part 15 of ITA 2007), and the “or” preceding it.
- 20 (1) In section 564Q(1) of ITA 2007 (alternative finance return: deduction of income tax at source under Chapter 2 of Part 15)—
- (a) after “Chapter 2 of Part 15” insert “ and section 876 ”,
 - (b) for “deduction by deposit-takers and building societies” substitute “ exception for deposit-takers ”, and
 - (c) after “Chapter 2 of that Part” insert “ and section 876 ”.
- (2) In section 564Q(5) of ITA 2007 (alternative finance return: deduction of income tax at source under Chapters 3 to 5 of Part 15)—
- (a) after “of Part 15” insert “ except section 876 ”, and
 - (b) for “those Chapters” substitute “ those provisions ”.
- 21 In section 847 of ITA 2007 (overview of Part 15)—
- (a) in subsection (2) omit paragraph (a) (which introduces Chapter 2), and

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- (b) in subsection (5) (which introduces Chapters containing provision connected with the duties to deduct), before paragraph (a) insert—
- “(za) Chapter 2 (interpretation of section 876 in Chapter 3: exception for deposit-takers).”
- 22 In section 946 of ITA 2007 (collection of tax deducted at source: payments to which Chapter applies) omit paragraph (a) (payments from which deductions required to be made under section 851).
- 23 In Schedule 2 to ITA 2007 omit paragraphs 154 to 156 (transitional provisions related to Chapter 2 of Part 15 of ITA 2007).
- 24 In Schedule 4 to ITA 2007 (index of defined expressions)—
- (a) omit the entry for “beneficiary under a discretionary or accumulation settlement (in Chapter 2 of Part 15)”,
- (b) in the entry for “deposit-taker (in Chapter 2 of Part 15)”, after “Part 15” insert “ and section 876 ”,
- (c) omit the entry for “dividend (in Chapter 2 of Part 15)”,
- (d) in the entry for “investment (in Chapter 2 of Part 15)”, after “Part 15” insert “ and section 876 ”, and
- (e) omit the entry for “relevant investment (in Chapter 2 of Part 15)”.
- 25 In consequence of the amendments made by Part 1 of this Schedule and the preceding provisions of this Part of this Schedule—
- (a) in Schedule 1 to ITA 2007 omit paragraph 277,
- (b) in Schedule 1 to FA 2008 omit paragraph 25,
- (c) in Schedule 46 to FA 2013—
- (i) in paragraph 68(1) omit paragraph (a) including the “and” at the end,
- (ii) in paragraph 69(1) omit paragraph (a) including the “and” at the end,
- (iii) omit paragraph 70(1), and
- (iv) in paragraph 71(3) omit paragraph (b) and the “and” preceding it, and
- (d) in FA 2014 omit section 3(4).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)