

2003 No. 3143

INCOME TAX

The Income and Corporation Taxes (Electronic Certificates of Deduction of Tax and Tax Credit) Regulations 2003

Made - - - - - *4th December 2003*

Laid before the House of Commons *5th December 2003*

Coming into force - - - *1st January 2004*

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 132 of the Finance Act 1999(a) hereby make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Income and Corporation Taxes (Electronic Certificates of Deduction of Tax and Tax Credit) Regulations 2003 and shall come into force on 1st January 2004.

(2) In these Regulations references to the delivery of a document include that document being made available to a person in circumstances where—

- (a) the sender and that person have agreed to his having access to the document on a website,
- (b) the document is a document to which the agreement relates; and
- (c) the person is notified in a manner for the time being agreed for the purpose between him and the sender of—
 - (i) the placing of the document on the website;
 - (ii) the address of the website; and
 - (iii) the place on the website at which, and the manner in which, the document may be accessed.

Here “document” means anything authorised to be delivered by means of electronic communications under these Regulations.

(3) In these Regulations—

“electronic communications” has the meaning given by section 132(10) of the Finance Act 1999;

“the sender” means—

- (a) in relation to a statement to which regulation 2 applies, the company making the qualifying distribution, or a person acting on its behalf;

(a) 1999 c. 16. By virtue of section 133(2) of that Act, provision made in exercise of the power conferred by section 132 or section 133(1) has effect notwithstanding so much of any enactment as would (apart from the provision so made) require the delivery of information in a form or manner which would preclude the use of electronic communications for its delivery.

- (b) in relation to a statement to which regulation 3 applies, the person under the duty to furnish the certificate, or another person acting on his behalf; and
- (c) in relation to statement, notice, certificate or voucher to which regulation 4 applies, the person required or authorised, under the relevant provision mentioned in paragraph (2) of that regulation, to deliver that statement, notice, certificate or voucher, or another person acting on his behalf; and

“the Taxes Act” means the Income and Corporation Taxes Act 1988.

Delivering information electronically about distributions, dividends, interest payments and associated tax credits

2.—(1) A statement under section 234(1) or 234A(2) of the Taxes Act (information relating to distributions, dividends, interest payments and associated tax credits)(a) by a company making a qualifying distribution may be delivered by means of electronic communications if the following conditions are satisfied.

(2) The first condition is that the sender has indicated to the proposed recipient that it intends to use electronic communications for the purposes of delivering statements under those sections.

(3) The second condition is that the proposed recipient has consented to information being delivered by the sender by means of electronic communications, and that consent has not been withdrawn.

(4) The third condition is that the statement is delivered in an electronic format—

- (a) in which the statement may be stored;
- (b) which permits a paper copy of the information contained in the statement to be printed; and
- (c) which is designed to prevent alteration of the contents.

Delivering information electronically about deduction of tax

3.—(1) A statement under section 352 of the Taxes Act (certificates of deduction of tax)(b) may be delivered by means of electronic communications if the following conditions are satisfied.

(2) The first condition is that the sender has indicated to the proposed recipient that he intends to use electronic communications to furnish statements under section 352.

(3) The second condition is that the proposed recipient has consented to information being delivered by the sender by means of electronic communications, and that consent has not been withdrawn.

(4) The third condition is that the statement is delivered in an electronic format—

- (a) in which the statement may be stored;
- (b) which permits a paper copy of the information contained in the statement to be printed; and
- (c) which is designed to prevent alteration of the contents.

Sending information electronically about manufactured dividends

4.—(1) A statement, notice, certificate or voucher required or authorised to be delivered under the provisions listed in paragraph (2) may be delivered by means of electronic communications if the conditions specified in paragraphs (3) to (5) are satisfied.

(2) The provisions referred to in paragraph (1) are—

(a) Section 234 was amended and section 234A inserted by section 32 of the Finance (No. 2) Act 1992 (c. 48). A further amendment to section 234(1) was made by Part II of Schedule 8 to the Finance (No. 2) Act 1997 (c. 58). Section 234A was amended by paragraph 2 of Schedule 37 to the Finance Act 1996(c. 8).

(b) Section 352 was amended by paragraph 11 of Schedule 5 to the Finance Act 1990.

- (a) paragraphs 2(6) and 3(8) of Schedule 23A to the Taxes Act (information about manufactured dividends)(a); and
 - (b) regulations 4(4)(c), 5(2)(b)(iii), 7(2)(d), 10(3)(b) and (4)(b) and 15(1) and (5) of the Income Tax (Manufactured Overseas Dividends) Regulations 1993(b).
- (3) The first condition is that the sender has indicated to the proposed recipient that he intends to use electronic communications to deliver documents of that type.
- (4) The second condition is that the proposed recipient has consented to information being delivered by the sender by means of electronic communications, and that consent has not subsequently been withdrawn.
- (5) The third condition is that the document in question is delivered in an electronic format—
- (a) in which it may be stored;
 - (b) which permits a paper copy of the information contained in it to be printed; and
 - (c) which is designed to prevent alteration of its contents.

Amendments of the Income Tax (Manufactured Overseas Dividends) Regulations 1993

5.—(1) The Income Tax (Manufactured Overseas Dividends) Regulations 1993 are amended as follows.

(2) In regulation 6 (retention and records of notices given under regulations 4 and 5) after paragraph (4) insert—

“(4A) In the case of a record retained under paragraph (2)(b) or (3)(b) which is in electronic form the person retaining it shall afford an officer of the Board such assistance and facilities as the officer may reasonably require in order to read the record.”.

(3) In regulation 7 (disapplication of paragraph 4(3) of Schedule 23A to the Taxes Act)(c), after paragraph (4) insert—

“(4A) In the case of a record retained under paragraph (4) which is in electronic form the person retaining it shall afford an officer of the Board such assistance and facilities as the officer may reasonably require in order to read the record.”.

(4) In regulation 14 (records to be maintained in respect of certain manufactured overseas dividends without deduction of tax) after paragraph (3)(d) insert—

“(3A) In the case of evidence or a record retained under paragraph (3) which is in electronic form the person retaining it shall afford an officer of the Board such assistance and facilities as the officer may reasonably require in order to read the record or certificate.”.

*Nick Montagu
Helen Ghosh*

4th December 2003

Two of the Commissioners of Inland Revenue

(a) Schedule 23A was inserted by paragraph 1 of Schedule 13 to the Finance Act 1991. Relevant amendments were made by paragraphs 10 and 11 of Schedule 10 to the Finance Act 1997, paragraph 17 of Schedule 6 and the relevant entry in Part 2 of Schedule 8 to the Finance (No. 2) Act 1997, the relevant entry in Part 3 of Schedule 27 to the Finance Act 1998 and section 108 of the Finance Act 2002.

(b) S.I. 1993/2004: relevant amending instruments are S.I. 1996/1229 and 2643, 1997/988 and 2003/2582.

(c) Regulation 7 has been amended by regulation 8 of S.I. 1996/2643 and regulation 5 of S.I. 1997/988.

(d) Regulation 14 has been amended: the relevant amendment is that made by regulation 12 of S.I. 2003/2582.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations authorise the electronic delivery of certain documents, required or permitted to be given under the Income and Corporation Taxes Act 1988 (c. 1: “the Taxes Act”) and regulations made under it.

Regulation 1 deals with the citation and commencement of the Regulations and the interpretation of expressions used in them.

Regulation 2 authorises the electronic delivery of information about distributions required under section 234 of the Taxes Act.

Regulation 3 authorises the electronic delivery of a statement of the deduction of tax, to be given under section 352 of the Taxes Act, and the electronic delivery of a request for such a statement.

Regulation 4 authorises the electronic delivery of certain documents required or authorised to be furnished in connection with dividend manufacturing.

In each case electronic delivery is authorised only if three conditions are met. The first is that the sender of the information has previously notified the recipient that he intends to use electronic communications for the particular purpose. The second is that the recipient has consented to electronic delivery of information by the sender and that consent has not been withdrawn. The third is that the electronic format used is designed to prevent alteration of what is delivered, but nonetheless permits a copy of what is delivered to be printed or kept in electronic format.

Regulation 5 makes amendments to the Income Tax (Manufactured Overseas Dividends) Regulations 1993 (S.I. 1993/2004) so that a person keeping records under regulations 6, 7 and 14 of those Regulations in electronic format must afford an officer of the Board such assistance and facilities as the officer may reasonably require in order to read those records.

A partial Regulatory Impact Assessment has been published by the Inland Revenue and is available on the Inland Revenue website at www.inlandrevenue.gov.uk or by telephoning the Revenue’s Press Office on 020 7438 6420.

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