



Income Tax Act 2007

2007 CHAPTER 3

PART 14

INCOME TAX LIABILITY: MISCELLANEOUS RULES

CHAPTER 1

LIMITS ON LIABILITY TO INCOME TAX OF NON-UK RESIDENTS

Modifications etc. (not altering text)

- C1** Pt. 14 Ch. 1 excluded by 2005 c. 5, s. 608X(3)(a) (as inserted (with effect in accordance with Sch. 3 para. 7 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [Sch. 3 para. 4](#))

Introduction

810 Overview of Chapter

- (1) This Chapter provides for limits on the liability to income tax of non-UK residents.
- (2) See sections 811 to 814 in the cases of—
 - (a) a non-UK resident, other than a company, and
 - (b) a non-UK resident company liable as a trustee.
- (3) See sections 815 and 816 in the case of a non-UK resident company which is liable otherwise than as a trustee.
- [^{F1}(4) In relation to an individual—
 - (a) a reference in this Chapter to a non-UK resident's liability to income tax is a reference to the liability of someone who is non-UK resident for the tax year for which the liability arises, and

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- (b) accordingly, enactments under which income arising to a UK resident in the overseas part of a split year is treated as arising to a non-UK resident are of no relevance to this Chapter.]

Textual Amendments

F1 S. 810(4) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 152\(5\)](#)

Limit for non-UK resident individuals, trustees etc

811 Limit on liability to income tax of non-UK residents

- (1) This section applies to income tax to which—
- (a) a non-UK resident, other than a company, is liable, or
 - (b) a non-UK resident company is liable as a trustee.
- (2) Subsection (1) is subject to section 812 (case where limit not to apply).
- (3) The non-UK resident's liability to income tax for a tax year is limited to the sum of amounts A and B.
- (4) Amount A is the sum of—
- (a) any sums representing income tax deducted from the non-UK resident's disregarded income for the tax year (see section 813), ^{F2}and]
 - (b) any sums representing income tax that are treated as deducted from or paid in respect of that income, ^{F3}...
 - ^{F3}(c)
- (5) Amount B is the amount that, apart from this section, would be the non-UK resident's liability to income tax for the tax year, if the following were left out of account—
- (a) the non-UK resident's disregarded income for the tax year, and
 - (b) any relief mentioned in subsection (6) to which the non-UK resident is entitled for the tax year as a result of—
 - (i) section 56(3) or 460(3) of this Act ^{F4}... (residence etc of claimants), or
 - (ii) double taxation arrangements.
- (6) The reliefs referred to in subsection (5) are—
- (a) an allowance under Chapter 2 of Part 3 of this Act ^{F5}... (personal allowance and blind person's allowance),
 - (b) a tax reduction under Chapter 3 of Part 3 of this Act ^{F5}... (tax reductions for married couples and civil partners),
 - (c) relief under section 457 or 458 of this Act (payments to trade unions and police organisations),
 - (d) ^{F6}..... and
 - (e) relief under section 266 of ICTA (life assurance premiums).

Textual Amendments

F2 Word in s. 811(4) inserted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 63\(14\)\(a\)](#)

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- F3** S. 811(4)(c) and word omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 63\(14\)\(b\)](#)
- F4** Words in s. 811(5) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 6\(o\)\(iv\)](#)
- F5** Words in s. 811(6) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 6\(o\)\(iv\)](#)
- F6** S. 811(6)(d) omitted (17.7.2012) (with effect in accordance with Sch. 39 para. 32(6) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 39 para. 32\(2\)\(e\)](#)

812 Case where limit not to apply

- (1) Section 811 does not apply to income tax to which non-UK resident trustees are liable for a tax year, if there is a beneficiary of the trust who is—
 - (a) an individual who is ^{F7}... UK resident, or
 - (b) a UK resident company.
- (2) For the purposes of subsection (1) a person is a beneficiary of the trust if—
 - (a) the person is an actual or potential beneficiary of the trust, and
 - (b) condition A or B is met in relation to the person.
- (3) Condition A is that the person is, or will or may become, entitled under the trust to receive some or all of any income under the trust.
- (4) Condition B is that some or all of any income under the trust may be paid to or used for the benefit of the person in the exercise of a discretion conferred by the trust.
- (5) The references in subsections (3) and (4) to any income under the trust include a reference to any capital under the trust so far as it represents amounts originally received by the trustees as income.

Textual Amendments

- F7** Word in s. 812(1)(a) omitted (with effect in accordance with Sch. 46 para. 72 of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 46 para. 66](#)

^{F8}812A Temporary non-residents

- (1) This section applies if—
 - (a) an individual is temporarily non-resident,
 - (b) the individual's liability to income tax for a tax year is limited under section 811,
 - (c) that tax year (“the non-resident year”) falls within the temporary period of non-residence, and
 - (d) the individual's income for that tax year includes relevant investment income.
- (2) The total income (see Step 1 of the calculation in section 23) on which the individual is charged to income tax for the year of return is to be increased by an amount equal to the amount of that relevant investment income.
- (3) But the notional UK tax on that relevant investment income is to be allowed as a credit against the individual's liability to income tax for the year of return under Step 6 of the calculation in section 23.

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- (4) Income is “relevant investment income” if—
- (a) it is chargeable under Chapter 3 or 5 of Part 4 of ITTOIA 2005 (dividends etc from UK resident companies and stock dividends from UK resident companies),
 - (b) the distributing company is a close company, and
 - (c) the income arises or is treated as arising to the individual because the individual was at a relevant time—
 - (i) a material participator in that company, or
 - (ii) an associate of a material participator in the company.
- (5) But income within subsection (4) in the form of a cash or stock dividend is not “relevant investment income” to the extent that the dividend is paid, or the share capital is issued, in respect of post-departure trade profits.
- (6) “Post-departure trade profits” are—
- (a) trade profits of the distributing company arising in an accounting period that begins after the start of the temporary period of non-residence, and
 - (b) so much of any trade profits of the distributing company arising in an accounting period that straddles the start of that temporary period as is attributable (on a just and reasonable basis) to a time after the start of that temporary period.
- (7) The “notional UK tax” on relevant investment income is—
- (a) the total of any sums in respect of that income that were included within amount A in determining the limit under section 811, less
 - (b) any credit for foreign tax paid in respect of that income that was allowed under Chapter 2 of Part 2 of TIOPA 2010 against the individual's liability to income tax for the non-resident year.
- (8) The following matters are to be determined on a just and reasonable basis—
- (a) the extent to which a dividend is paid, or share capital is issued, in respect of post-departure trade profits, and
 - (b) the extent to which a sum included within amount A is a sum in respect of relevant investment income.
- (9) Nothing in any double taxation arrangements is to be read as preventing the individual from being chargeable to income tax by virtue of this section (or as preventing a charge to that tax from arising as a result).
- (10) Part 4 of Schedule 45 to FA 2013 (statutory residence test: anti-avoidance) explains—
- (a) when an individual is to be regarded as “temporarily non-resident”, and
 - (b) what “the temporary period of non-residence”, “the year of departure” and “the period of return” mean.
- (11) In this section—
- “associate” and “participator” have the same meanings as in Part 10 of CTA 2010 (see sections 448 and 454);
- “the distributing company” means the UK resident company mentioned in section 383(1) or, as the case may be, 410(1) of ITTOIA 2005;
- “material participator” means a participator who has a material interest in the company, as defined in section 457 of CTA 2010;
- “relevant time” means—

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- (a) any time in the year of departure or, if the year of departure is a split year as respects the individual, the UK part of that year, or
 - (b) any time in one or more of the 3 tax years preceding that year;
- “trade profits of the distributing company” means the profits of any trade carried on by the distributing company, as calculated in accordance with Part 3 of CTA 2009 (trading income);
- “year of return” means the tax year consisting of or including the period of return.]

Textual Amendments

- F8** S. 812A inserted (with effect in accordance with Sch. 45 para. 153(3) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 138](#)

813 Meaning of “disregarded income”

- (1) For the purposes of this Chapter income arising to a non-UK resident is “disregarded income” if it is—
 - (a) disregarded savings and investment income (see section 825),
 - (b) disregarded annual payments (see section 826),
 - (c) disregarded pension income,
 - (d) disregarded social security income,
 - (e) disregarded transaction income (see section 814), or
 - (f) income of such other description as the Treasury may by regulations designate for the purposes of this section.
- (2) But income in relation to which the non-UK resident has a UK representative for the purposes of [^{F9}Chapter 2B] is not disregarded income.
- (3) Income is “disregarded pension income” if it is chargeable under Part 9 of ITEPA 2003 (pension income) because any of the following provisions of that Act applies to it—
 - section 577 (UK social security pensions),
 - section 579A (pensions under registered pension schemes) (but see subsection (4) below),
 - section 609 (annuities for the benefit of dependants),
 - section 610 (annuities under non-registered occupational pension schemes), or
 - section 611 (annuities in recognition of another's services).
- (4) Income chargeable under Part 9 of ITEPA 2003 because section 579A of that Act applies to it is disregarded pension income only if the registered pension scheme in question—
 - (a) falls within paragraph 1(1)(f) of Schedule 36 to FA 2004, and
 - (b) was, immediately before 6 April 2006, a retirement annuity contract to which section 605 of ITEPA 2003 applied.
- (5) Income is “disregarded social security income” if—
 - (a) it is a taxable benefit listed in Table A in section 660 of ITEPA 2003, other than income support or jobseeker's allowance, and
 - (b) it is chargeable under Part 10 of that Act (social security income).

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Textual Amendments

- F9** Words in s. 813(2) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 282](#) (with [Sch. 9 paras. 1-9, 22](#))

814 Meaning of “disregarded transaction income”

- (1) Subsection (2) applies if a non-UK resident carries on (alone or in partnership) a business through a broker in the United Kingdom.
- (2) Income is “disregarded transaction income”, subject to subsection (6), if—
 - (a) it is transaction income, and
 - (b) the independent broker conditions are met in relation to the transaction in question.
- (3) Subsection (4) applies if a non-UK resident carries on (alone or in partnership) a business through an investment manager in the United Kingdom.
- (4) Income is “disregarded transaction income”, subject to subsection (6), if—
 - (a) it is transaction income, and
 - (b) the independent investment manager conditions are met in relation to the transaction in question.
- (5) In this Chapter “transaction income”, in relation to a transaction carried out through a broker or investment manager in the United Kingdom on behalf of a non-UK resident, means income which arises to the non-UK resident from—
 - (a) so much of the non-UK resident's business carried on (alone or in partnership) through the broker or investment manager as relates to the transaction, or
 - (b) property or rights which, as a result of the transaction, are used by, or held by or for, the broker or investment manager on behalf of the non-UK resident.
- (6) Income is not disregarded transaction income if it is chargeable to income tax in accordance with section 171(2) of FA 1993 (profits of the underwriting business of a member of Lloyd's).
- (7) This section needs to be read with—
 - section 817 (the independent broker conditions),
 - sections 818 to 824 (the independent investment manager conditions),
 - section 827 (meaning of “investment manager” and “investment transaction”),
 - and
 - section 828 (transactions through brokers and investment managers).

Limit for non-UK resident companies

815 Limit on liability to income tax of non-UK resident companies

- (1) This section applies to income tax to which a non-UK resident company is liable, otherwise than as a trustee.

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- (2) The non-UK resident company's liability to income tax for a tax year is limited to the sum of amounts A and B.
- (3) Amount A is the sum of—
 - (a) any amounts representing income tax deducted from the non-UK resident company's disregarded company income for the tax year, [^{F10}and]
 - (b) any amounts representing income tax that are treated as deducted from or paid in respect of that income, ^{F11}...
 - ^{F11}(c)
- (4) Amount B is the amount that, apart from this section, would be the non-UK resident company's liability to income tax for the tax year if the non-UK resident company's disregarded company income for the tax year were left out of account.

Textual Amendments

F10 Word in s. 815(3) inserted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 63\(15\)\(a\)](#)

F11 S. 815(3)(c) and word omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 63\(15\)\(b\)](#)

816 Meaning of “disregarded company income”

- (1) For the purposes of this Chapter income arising to a non-UK resident company is “disregarded company income” if it is—
 - (a) disregarded savings and investment income (see section 825),
 - (b) disregarded annual payments (see section 826),
 - [^{F12}(c) income arising from a transaction carried out through a broker in the United Kingdom acting as an agent of independent status in the ordinary course of the broker’s business,]
 - [^{F12}(d) income arising from a transaction carried out through an investment manager in the United Kingdom acting as an agent of independent status in the ordinary course of the investment manager’s business, or]
 - (e) income of such other description as the Treasury may by regulations designate for the purposes of this section.
- [^{F13}(2) A broker is regarded for the purposes of subsection (1)(c) as an agent of independent status acting in the ordinary course of the broker’s business in relation to a transaction carried out on behalf of a non-UK resident company in the course of that company’s trade if, and only if, the independent broker conditions are met in relation to the transaction (see section 817).
- (3) An investment manager is regarded for the purposes of subsection (1)(d) as an agent of independent status acting in the ordinary course of the investment manager’s business in relation to an investment transaction carried out on behalf of a non-UK resident company in the course of that company’s trade if, and only if, the independent investment manager conditions are met in relation to the investment transaction (see sections 818 to 824).
- (4) This section needs to be read with—
section 827 (meaning of “investment manager” and “investment transaction”), and

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section 828 (transactions through brokers and investment managers).]

Textual Amendments

- F12** S. 816(1)(c)(d) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [Income Tax Act 2007 \(Amendment\) \(No.3\) Order 2007 \(S.I. 2007/3506\)](#), arts. 1(1), **3(4)(a)**
- F13** S. 816(2)-(4) substituted for s. 816(2) (with effect in accordance with art. 1(2) of the amending S.I.) by [Income Tax Act 2007 \(Amendment\) \(No.3\) Order 2007 \(S.I. 2007/3506\)](#), arts. 1(1), **3(4)(b)**

The independent broker conditions

817 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—
 - (a) conditions A to D are met, if this section applies for the purposes of section 813, or
 - (b) conditions A to C and E are met, if this section applies for the purposes of section 816.
- (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 ^{F14}... 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 for the purposes of [^{F15}Chapter 2B of this Part, or of Chapter 1 of Part 7A of TCGA 1992,] to be treated as a UK representative of the non-UK resident in relation to any other income which is chargeable to income tax, or amounts which are chargeable to capital gains tax, for the same tax year as the transaction income.
- (6) Condition E is that the broker does not fall to be treated as a permanent establishment of the non-UK resident company in relation to any other transaction of any kind carried out in the same accounting period of the non-UK resident company as the transaction in question.

Textual Amendments

- F14** Words in s. 817(3) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), Sch. 8 para. 283(2), **Sch. 10 Pt. 11** (with Sch. 9 paras. 1-9, 22)
- F15** Words in s. 817(5) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 8 para. 283(3)** (with Sch. 9 paras. 1-9, 22)

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The independent investment manager conditions

818 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 [^{F16}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 819).
- (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.

^{F17}(7)

^{F18}(8)

Textual Amendments

- F16** Words in s. 818(1) substituted (21.7.2008 with effect in accordance with Sch. 16 para. 11(3) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 16 para. 10\(2\)](#)
- F17** S. 818(7) omitted (21.7.2008 with effect in accordance with Sch. 16 para. 11(3) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 16 para. 10\(3\)](#)
- F18** S. 818(8) omitted (21.7.2008 with effect in accordance with Sch. 16 para. 11(3) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 16 para. 10\(3\)](#)

819 Investment managers: the 20% rule

- (1) The requirements of the 20% rule are met if conditions A and B are met.
- (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.
- (4) This section needs to be read with—

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section 820 (meaning of “qualifying period”),
 section 821 (meaning of “relevant disregarded income”), and
 section 822 (meaning of “beneficial entitlement”).

820 Meaning of “qualifying period”

- (1) This section applies for the purposes of this Chapter.
- (2) If section 819 applies for the purposes of section 813, a “qualifying period” means—
 - (a) the tax year in which the transaction income is chargeable to income tax, or
 - (b) a period of not more than 5 years comprising two or more tax years including that one.
- (3) If section 819 applies for the purposes of section 816, a “qualifying period” means—
 - (a) the accounting period of the non-UK resident company in which the transaction in question is carried out, or
 - (b) a period of not more than 5 years comprising two or more complete accounting periods including that one.

821 Meaning of “relevant disregarded income”

- (1) This section applies for the purposes of this Chapter.
- (2) If section 819 applies for the purposes of section 813, the “relevant disregarded income” of the non-UK resident for the qualifying period is the total of the non-UK resident's income for the tax years comprised in the qualifying period which derives from the transactions mentioned in subsection (4).
- (3) If section 819 applies for the purposes of section 816, the “relevant disregarded income” of the non-UK resident company for the qualifying period is the total of the non-UK resident company's income for the accounting periods comprised in the qualifying period which derives from the transactions mentioned in ^{F19}subsection (5)
- (4) The transactions referred to in ^{F20}subsection (2)] are 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.
- ^{F21}(5) The transactions referred to in subsection (3) are transactions—
 - (a) carried out by the investment manager on the non-UK resident company's behalf, and
 - (b) in relation to which the investment manager does not fall to be treated as a permanent establishment of the non-UK resident company, ignoring the requirements of the 20% rule.]

Textual Amendments

- F19** Words in s. 821(3) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) Order 2009 \(S.I. 2009/23\)](#), arts. 1(1), **5(3)(a)**
- F20** Words in s. 821(4) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) Order 2009 \(S.I. 2009/23\)](#), arts. 1(1), **5(3)(b)**

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F21 S. 821(5) inserted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) Order 2009 \(S.I. 2009/23\)](#), arts. 1(1), **5(3)(c)**

822 Meaning of “beneficial entitlement”

- (1) This section applies for the purposes of this Chapter.
- (2) 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 (3).
- (3) The interests and rights referred to in subsection (2) 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.

823 Treatment of transactions where requirements of 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—
 - (a) so much of the transaction income of the non-UK resident as falls within subsection (3), if this section applies for the purposes of section 813, or
 - (b) so much of the income of the non-UK resident company deriving from the transaction as falls within subsection (3), if this section applies for the purposes of section 816.
- (3) Income falls within this subsection if it does not represent income—
 - (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.

824 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 [^{F22}(so far as the transaction is one in respect of which such 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

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- (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 appropriate relevant period, 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 819 to 823 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 amounts that would, for relevant periods 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—
 - “the appropriate relevant period” is—
 - (a) the tax year in which the transaction income is chargeable to income tax, if this section applies for the purposes of section 813, or
 - (b) the accounting period in which the transaction is carried out, if this section applies for the purposes of section 816,
 - “collective investment scheme” has the meaning given by section 235 of FISMA 2000,
 - “participant”, in relation to a collective investment scheme, is construed in accordance with that section, and
 - “relevant period” means—
 - (a) a tax year, if this section applies for the purposes of section 813, or
 - (b) an accounting period, if this section applies for the purposes of section 816.

Textual Amendments

- F22** Words in s. 824(2) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 284](#) (with Sch. 9 paras. 1-9, 22)

Supplementary

825 Meaning of “disregarded savings and investment income”

- (1) For the purposes of this Chapter income is “disregarded savings and investment income” if—

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- (a) it is chargeable under Chapter 3 or 5 of Part 4 of ITTOIA 2005 (dividends etc from UK resident companies and stock dividends from UK resident companies), or
 - (b) it is within subsection (2) and is not relevant foreign income.
- (2) Income is within this subsection if it is chargeable under—
- (a) Chapter 2 of Part 4 of ITTOIA 2005 (interest),
 - (b) Chapter 7 of that Part (purchased life annuity payments),
 - (c) Chapter 8 of that Part (profits from deeply discounted securities),
 - ^{F23}(d)
 - (e) Chapter 11 of that Part (transactions in deposits)^{F24}, or
 - (f) regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013.]

Textual Amendments

- F23** S. 825(2)(d) omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), **37(9)(a)** (with reg. 32)
- F24** S. 825(2)(f) and word inserted (6.4.2014) by [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), **37(9)(b)** (with reg. 32)

826 Meaning of “disregarded annual payments”

For the purposes of this Chapter income is “disregarded annual payments” if it is not relevant foreign income and is chargeable under—

- (a) section 579 of ITTOIA 2005, so far as it relates to annual payments (royalties etc from intellectual property),
- (b) Chapter 4 of Part 5 of that Act, so far as it relates to annual payments (certain telecommunication rights: non-trading income), or
- (c) Chapter 7 of Part 5 of that Act (annual payments not otherwise charged).

827 Meaning of “investment manager” and “investment transaction”

(1) In this Chapter “investment manager” means a person who provides investment management services.

^{F25}(2) In this section “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.

(3) Provision made in regulations under subsection (2) may, in particular, have effect in relation to the tax year current on the day on which the regulations are made.]

Textual Amendments

- F25** S. 827(2)(3) substituted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), **Sch. 16 paras. 5(2)**, 11(4) (with Sch. 16 para. 11(5)(6))

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828 Transactions through brokers and investment managers

- (1) For the purposes of this Chapter a person is 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.

Changes to legislation:

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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):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)