



Income Tax Act 2007

2007 CHAPTER 3

PART 15

DEDUCTION OF INCOME TAX AT SOURCE

CHAPTER 8

CHAPTERS 6 AND 7: SPECIAL PROVISION IN RELATION TO ROYALTIES

Deduction at special rates

911 Double taxation arrangements: deduction at treaty rate

- (1) This section applies if—
 - (a) a company pays a royalty from which it is required to deduct a sum representing income tax under Chapter 6 or 7,
 - (b) the income tax in respect of the payment is collectible under Chapter 15 or 16, and
 - (c) the company reasonably believes that, at the time the payment is made, the payee is entitled to relief in respect of the payment under double taxation arrangements.
- (2) The company may calculate the sum to be deducted from the payment under Chapter 6 or 7 by reference to the treaty rate.
- (3) But, if the payee is not at the time entitled to such relief, this Part has effect as if subsection (2) had never applied in relation to the payment.
- (4) In this section “the treaty rate” means the rate of income tax appropriate to the payee under the arrangements.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

912 Power to make directions disapplying section 911

- (1) This section applies if an officer of Revenue and Customs is not satisfied that the payee will be entitled to relief under double taxation arrangements in respect of one or more payments of royalties that a company is to make.
- (2) The officer may direct the company that section 911 is not to apply to the payment or payments.
- (3) A direction under subsection (2) may be varied or revoked by a later direction.

913 Interpretation of sections 911 and 912

- (1) In sections 911 and 912 “royalty” includes—
 - (a) a payment received as consideration for the use of, or the right to use, a copyright, patent, trade mark, design, process or information, and
 - (b) the proceeds of the sale of the whole or part of any patent rights.
- (2) In sections 911 and 912 “payee” means the person beneficially entitled to the income in respect of which the payment is made.

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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.)