



**The Reporting of Savings Income Information Regulations 2003 (S.I. 2003 No.3297)**  
as amended by **The Reporting of Savings Income Information (Amendment) Regulations 2005 (S.I. 2005 No.1539)**  
as amended by **The Reporting of Savings Income Information (Amendment) Regulations 2006 (S.I. 2006 No.3286)**  
as amended by **The Income Tax (Deposit-takers and Building Societies)(Interest Payments) Regulations 2008 (S.I. 2008 No.2682)**

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**These consolidated Regulations have been compiled by TISA.  
The Association can accept no liability for their accuracy.**

## EXPLANATORY NOTES

*(These notes are not part of the Regulations)*

### The Reporting of Savings Income Information Regulations 2003 (S.I. 2003 No.3297)

These Regulations implement part of Council Directive 2003/48/EC of 3<sup>rd</sup> June 2003 on taxation of savings income in the form of interest payments ("the Directive"), namely Articles 1 to 8, 15 and 17. The Regulations require information to be reported to the Inland Revenue about savings income paid to, or secured for, an individual resident in another member State in the course of a business or profession. The same is required in respect of some entities resident in other member States.

Article 17(1) requires that regulations implementing the Directive be adopted and published before 1<sup>st</sup> January 2004.

Article 17 of the Directive also provides for its commencement. Article 17(2) provides that for the Directive to apply from 1<sup>st</sup> January 2005 various arrangements between member States and other territories need to apply from that date. In accordance with Article 17(3), the Council will decide at least six months before 1<sup>st</sup> January 2005, whether this condition will be met. If it decides that it will not, it will adopt a new date on which the Directive will come into force provided that the condition will be met by that date. When the decision has been made the date of the commencement of these Regulations shall be notified\* in the London, Edinburgh and Belfast Gazettes.

\* Notice was published in the Gazettes on 14 June 2005 that these Regulations come into force on 1 July 2005

When arrangements between the other territories and member States are in place these Regulations will be amended to implement those arrangements.

Part 1 of these Regulations makes provision for –

- (i) who is required to make a report; "paying agents" and "receiving agents";
- (ii) in respect of whom a report needs to be made; "relevant payees" and "residual entities"; and
- (iii) what is meant by "savings income".

Part 1 also sets out how an entity can elect to be treated as if it were a UCITS, authorised in accordance with Council Directive 85/611/EEC, for the purposes of the Directive.

Part 2 of these Regulations makes provision for –

- (i) obtaining and verifying information about the individual who receives the savings income or for whose benefit it is received or secured; and
- (ii) the information which needs to be reported to the Inland Revenue.

Part 3 of these Regulations makes provision for–

- (i) notifying the Inland Revenue that a report needs to be made, and a penalty for failing to notify; and
- (ii) notices to be sent out by the Inland Revenue in respect of the report to be made.

Part 4 of these Regulations makes provision for audits and issues related to audits.

Part 5 of these Regulations contains transitional provisions in respect of negotiable debt securities.

December 2003

### The Reporting of Savings Income Information (Amendment) Regulations 2005 (S.I. 2005 No.1539)

These amendments

- implement the amendments made to Council Directive 2003/48/EC by Council Directive 2004/66/EC (OJ No. L168, 1.5.2004, p.35, 66-67) by reason of the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia;
- implement the agreements or other arrangements made with dependent or associated territories of the Member States;
- reflect the abolition of the Inland Revenue and the transfer of its functions to Her Majesty's Revenue and Customs

July 2005

### The Reporting of Savings Income Information (Amendment) Regulations 2006 (S.I. 2006 No.3286)

The 2003 Directive was amended by Council Directive 2006/98/EC adapting certain Directives in the field of taxation, by reason of the accession of Bulgaria and Romania ("the 2006 Directive") (OJ No. L363, 20.12.2006, p.129).

The amendment extends the list of entities acting as a public authority by whom the further issue of negotiable debt securities after 1 March 2002 will have the effect of treating both the original issue and the further issue as a money debt for the purpose of reporting under the principal Regulations. It adds to Table 1 of the Schedule agreed entities in the accession countries of Bulgaria and Romania.

December 2006

EXPLANATORY NOTES (continued)

The Income Tax (Deposit-takers and Building Societies)(Interest Payments) Regulations 2008 (S.I. 2008 No.2682)

Regulation 20 of the above regulations makes consequential amendments to Part 4 (Audit) of these Regulations.

October 2008

**TISA Note**

These regulations have been formatted in the same style as our ISA & CTF Consolidations with defined terms shown in italic. Where the term appears in **bold italic**, the definition will be found in Regulation 2. Where the term is in *regular italic*, the definition will usually be found (and will usually only apply) within that particular Regulation.

Paragraphs amended by SI 2006/3286 and 2008/2682 are marked with a double line right margin and those newly inserted by a single line.

The HMRC Guidance Notes and associated documents can be found at [www.hmrc.gov.uk/esd-guidance/](http://www.hmrc.gov.uk/esd-guidance/)

Peter Shipp, *Technical Director, TISA*  
14 April 2010

The Treasury, in exercise of the powers conferred upon them by section 199 of the Finance Act 2003<sup>1</sup>, make the following Regulations:

## PART 1 Introductory Provisions

### Citation and commencement

[Text amended by TISA to reflect consolidation]

1. The Principal Regulations may be cited as the Reporting of Savings Income Information Regulations 2003 and shall come into force on such date, being not earlier than 1st January 2005, as is determined by the Treasury and specified by notices in the London, Edinburgh and Belfast Gazettes.

*Notice 57674\002 was published in the Gazettes on 14 June 2005 that these Regulations came into force on 1 July 2005*

The initial Amendment Regulations may be cited as the Reporting of Savings Income Information (Amendment) Regulations 2005 and shall come into force on such date as is determined by the Treasury and specified by notices in the London, Edinburgh and Belfast Gazettes.

*Notice 57674\003 was published in the Gazettes on 14 June 2005 that these Regulations came into force on 1 July 2005*

Subsequent Amendment Regulations may be cited as the Reporting of Savings Income Information (Amendment) Regulations 2006 and came into force on 1<sup>st</sup> January 2007

Consequential amendments contained in the Income Tax (Deposit-takers and Building Societies)(Interest Payments) Regulations 2008 came into force on 31<sup>st</sup> October 2008

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<sup>1</sup> 2003 c. 14.

## Interpretation

### 2. (1) In these Regulations –

“*the Savings Directive*” means Council Directive 2003/48/EC of 3<sup>rd</sup> June 2003<sup>2</sup> (“the Directive of 2003”) on the taxation of savings income in the form of interest payments, as amended by Council Directive 2004/66/EC<sup>3</sup>, and a reference, without more, to a numbered Article is a reference to the Article of the Directive of 2003, as so amended, which bears that number;

“*the Securities Directive*” means Directive 2001/34/EC of 28<sup>th</sup> May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities as amended<sup>4</sup>;

“*the UCITS Directive*” means Council Directive 85/611/EEC of 20<sup>th</sup> December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended<sup>5</sup>.

### (2) In these Regulations–

“*agent*” means *paying agent* or *receiving agent* as appropriate;

“*arrangements*” means agreements or arrangements made with a territory being a dependent or associated territory of a member State in relation to the automatic exchange of information or, during the transitional period defined in Article 10 of *the Savings Directive*, the application of a withholding tax referred to in paragraph 2(ii) of Article 17 of the Savings Directive;

“*country*” includes a territory;

“*economic operator*” is a *paying agent* established in another member State or in a territory (construed in accordance with *the Savings Directive* or the *arrangements* with the territory, as appropriate) with which *arrangements* have been made;

“*money debt*” is a debt arising from a transaction for the lending of money and which falls to be, or may be, settled–

(a) by the payment of money; or

(b) by the transfer of a right to settlement under a debt which is itself a money debt,

subject to the qualification in regulation 17;

“*paying agent*”, unless the context otherwise requires, has the meaning given in regulation 3;

“*a prescribed territory*” means another member State, Aruba, the British Virgin Islands, Gibraltar, Guernsey, the Isle of Man, Jersey, Montserrat or the Netherlands Antilles;

“*receiving agent*” has the meaning given in regulation 6;

“*relevant payee*” has the meaning given in regulation 7;

“*resident*” and “*residence*” shall be construed in accordance with regulation 9;

“*residual entity*” has the meaning given in regulation 4;

<sup>2</sup> OJ No. L157, 26.06.2003, p.38.

<sup>3</sup> OJ No. L168, 1.5.2004, p.35, 66-67.

<sup>4</sup> OJ No. L184, 06.07.2001, p.1, amended by Directive 2003/6/EC of the European Parliament and of the Council (OJ No. L96, 12.04.2003, p.16).

<sup>5</sup> OJ No. L375, 31.12.1985, p.3, amended by Council Directive 88/220/EEC (OJ No. L100, 19.04.1988, p.31), European Parliament and Council Directive 95/26/EC (OJ No. L168, 18.07.1995, p.7), European Parliament and Council Directive 2000/64/EC (OJ No. L290, 17.11.2000, p.27), European Parliament and Council Directive 2001/107/EC (OJ No. L41, 13.02.2002, p.20), European Parliament and Council Directive 2001/108/EC (OJ No. L41, 13.02.2002, p.35).

“*Revenue and Customs*”, except in the expression “an officer of Revenue and Customs”, means Her Majesty’s Revenue and Customs (see section 4 of the Commissioners for Revenue and Customs Act 2005<sup>6</sup>);

“*savings income*” has the meaning given in regulation 8;

“*third country*” means a territory other than a member State;

“*UCITS*” means an undertaking for collective investment in transferable securities within *the UCITS Directive*.

- (3) For the purposes of these Regulations a person makes *savings income* payments to another person if the person—
- (a) makes payments of *savings income* to another person, or
  - (b) secures the payment of *savings income* for the other person.

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<sup>6</sup> 2005 c. 11.

### Meaning of paying agent

3. A paying agent is a *person* who—
- (a) is established in the United Kingdom;
  - (b) makes *savings income* payments in the course of his business or profession; and
  - (c) makes those payments—
    - (i) for the immediate benefit of a *relevant payee*; or
    - (ii) to a *residual entity* established in a *prescribed territory*.

Here a “*person*” includes any officer in any public office or in any government department and any *savings income* payments made by such a person will be treated as if the payment were made in the course of that person’s business or profession.

### Meaning of residual entity

4. (1) Subject to paragraph (2) a residual entity is an entity established in a member State or in a territory with respect to which *arrangements* have been made other than an entity –
- (a) which is a legal person;
  - (b) the profits of which are taxed under the general arrangements for business taxation; or
  - (c) which is a *UCITS* authorised in accordance with *the UCITS Directive* or an equivalent undertaking for collective investment established in a territory with which *arrangements* have been made.
- (2) In paragraph (1)(a) a legal person excludes –
- (a) in Finland, avoin yhtiö (Ay) and kommandiittiyhtiö (Ky)/ öppet bolag and kommanditbolag; and
  - (b) in Sweden, handelsbolag (HB) and kommanditbolag (KB).
- (3) A *paying agent* shall regard an entity as a residual entity unless the *paying agent* has reason to believe, on the basis of official evidence produced by the entity to the *paying agent*, that sub-paragraph (a), (b) or (c) of paragraph (1) applies.

An entity which presents to the *paying agent* or *economic operator* a certificate—

- (a) issued by the member State in which that entity is established in accordance with Article 4(3), or
- (b) issued by the territory with which *arrangements* have been made in which that entity is established in accordance with provisions which are equivalent to Article 4(3),

shall, for the purposes of this regulation, be treated as if it were a *UCITS* authorised in accordance with *the UCITS Directive* or an equivalent undertaking for collective investment established in the territory with which *arrangements* have been made (as the case may be).

### Election by an entity to be treated as a UCITS

5. (1) An entity established in the United Kingdom may obtain a certificate to the effect that it is to be treated as a *UCITS* authorised in accordance with *the UCITS Directive* for the purposes of *the Savings Directive* in accordance with this regulation.
- (2) A notice requesting the issue of a certificate shall be given to *Revenue and Customs* by or on behalf of the entity.
- (3) The notice shall include the following information –
- (a) the name and address of the entity;
  - (b) where the notice is given on behalf of the entity, the name, address and position of the person giving notice;
  - (c) a statement that –
    - (i) the entity is established in the United Kingdom;
    - (ii) the entity is not a legal person;
    - (iii) the entity's profits are not taxed under the general arrangements for business taxation;
    - (iv) the entity is not a *UCITS* authorised in accordance with *the UCITS Directive*; and
    - (v) the entity elects to be treated as if it were a *UCITS* authorised in accordance with *the UCITS Directive* for the purposes of *the Savings Directive*; and
  - (d) a signed and dated declaration by the person giving notice to the effect that it is to the best of his knowledge correct and complete.
- (4) *Revenue and Customs* will issue a certificate to that entity confirming that it is to be treated as if it were a *UCITS* authorised in accordance with *the UCITS Directive* for the purposes of *the Savings Directive* and that certificate shall have effect from the date specified in that certificate.

### Meaning of receiving agent

6. A receiving agent is an entity –
- (a) which is a *residual entity*;
  - (b) which is established in the United Kingdom; and
  - (c) to which a *savings income* payment is made for the benefit of a *relevant payee* by a person established in a member State or in a territory with which *arrangements* have been made in the course of his business or profession.

### Meaning of relevant payee

7. (1) The **agent** shall regard a person as a relevant payee if he is an individual –
- (a) **resident in a prescribed territory**; and
  - (b) who has received a **savings income** payment or for whom a **savings income** payment has been secured,
- unless he provides evidence to the **agent** that the payment is not received or secured for his own benefit because of one of the reasons listed in paragraph (2).
- (2) The reasons referred to in paragraph (1) are that the individual –
- (a) is acting as a **paying agent** or an **economic operator**;
  - (b) acts on behalf of a **residual entity**;
  - (c) acts on behalf of an entity –
    - (i) which is a legal person;
    - (ii) the profits of which are taxed under the general arrangements for business taxation;
    - (iii) which is a **UCITS** authorised in accordance with **the UCITS Directive**, or an equivalent undertaking for collective investment established in a territory with which **arrangements** have been made;
    - (iv) which is treated as being a **UCITS** authorised in accordance with **the UCITS Directive** for the purposes of **the Savings Directive** by virtue of Article 4(3);
    - (v) which is treated as being an equivalent undertaking for collective investment established in a territory with which **arrangements** have been made for the purposes of those **arrangements** by virtue of provisions which are equivalent to Article 4(3); or
  - (d) acts on behalf of another individual for whose benefit the payment is received or secured.
- (3) An individual who provides evidence that he is acting on behalf of a **residual entity** must in addition provide the name and address of that **residual entity** to the **agent**.
- (4) An individual who provides evidence that he acts on behalf of another individual must in addition provide the **agent** with the name and address, and where appropriate the tax identification number or date and place of birth, of that individual. The individual providing the evidence must obtain and verify this information in accordance with regulation 9.
- (5) If the **agent** has information which suggests that the individual who receives a **savings income** payment or for whom a **savings income** payment is secured may not be the **relevant payee** for the reason referred to in paragraph (2)(d), then paragraph (6) applies.
- (6) The **agent** must take reasonable steps to establish who is the **relevant payee** and if the **agent** is unable to identify the **relevant payee**, he shall treat the individual who receives a **savings income** payment or for whom a **savings income** payment is secured as the **relevant payee**.

### Meaning of savings income

8. (1) Subject to paragraphs (3) to (6) and (8) savings income is –
- (a) *interest*;
  - (b) *interest* accrued or capitalised at the sale, refund or redemption of a **money debt**;
  - (c) income distributed by a *collective investment fund* which is derived directly or indirectly, via other *collective investment funds* or residual entities, from *interest*;
  - (d) income realised upon the sale, refund or redemption of shares or units in a *collective investment fund* if that fund invests directly or indirectly, via other *collective investment funds* or residual entities, more than 40% of its assets in **money debts**.
- (2) In paragraph (1) “*interest*”–
- (a) includes–
    - (i) prizes attaching to **money debts** (including premium bonds);
    - (ii) premiums and discounts derived from **money debts**;
    - (iii) any dividend derived from shares (including *permanent interest bearing shares*) in a *building society*;
    - (iv) any *share interest* paid by a *registered industrial and provident society*; and
    - (v) any *share interest* paid by a credit union registered under the Credit Unions (Northern Ireland) Order 1985<sup>7</sup>; and
  - (b) excludes –
    - (i) any interest which is not related to a **money debt**; and
    - (ii) penalty charges for late payment.
- (3) In respect of savings income described in paragraph (1)(b), where an **agent** has no information concerning the amount of interest which is accrued or capitalised at the sale, refund or redemption of a **money debt** the total amount of the proceeds of the sale, redemption or refund is savings income.
- (4) In respect of savings income described in paragraphs (1)(c), where an **agent** has no information concerning the proportion of income which derives from interest the total amount of the income is savings income.
- (5) .....

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<sup>7</sup> S.I. 1985/1205 (N.I. 12). Article 2 contains the definition of “credit union” which is relevant for these purposes.

- (5) In respect of savings income described in paragraphs (1)(c) and (d), subject to paragraph (9) –
- (a) where a *collective investment fund* established in the United Kingdom has invested 15% or less of its assets directly or indirectly, via other *collective investment funds* or residual entities, in **money debts** there is no savings income;
  - (b) where a *collective investment fund* –
    - (i) is established in another member State which has derogated from paragraphs (1)(c) and (d) of Article 6 in accordance with Article 6(6); and
    - (ii) the *collective investment fund* has invested 15% or less of its assets in **money debts** in accordance with the law of that member State in the application of that derogation,there is no savings income.
  - (c) where a *collective investment fund*–
    - (i) is established in a territory with which **arrangements** have been made which has made provisions equivalent to the derogation in the first sentence of Article 6(6); and
    - (ii) the *collective investment fund* has invested 15% or less of its assets in **money debts** in accordance with the law of that territory in the application of those provisions,there is no savings income
- (6) In respect of savings income described in paragraph (1)(d)–
- (a) where an **agent** has no information concerning the percentage of assets invested in **money debts** or in shares or units in *collective investment funds*, that percentage shall be considered to be more than 40%;
  - (b) where the **agent** cannot determine the amount of income realised by the **relevant payee**, the income shall be deemed to correspond to the proceeds of the sale, refund or redemption of the shares or units.
- (7) From 1st January 2011 paragraphs (1)(d) and (6)(a) shall have the effect with the substitution of “25%” for “40%”.
- (8) Subject to paragraph (9) –
- (a) where a **residual entity** established in the United Kingdom invests 15% or less of its assets directly or indirectly, via *collective investment funds* or other residual entities, in **money debts** there is no savings income;
  - (b) where a **residual entity** –
    - (i) is established in another member State which has derogated from paragraph 4 of Article 6 in accordance with Article 6(6); and
    - (ii) the residual entity has invested 15% or less of its assets in **money debts** in accordance with the law of that member State in the application of that derogation,there is no savings income.
  - (c) .....

- (c) where a *residual entity*—
- (i) is established in a territory with which *arrangements* have been made which has made provisions equivalent to the derogation in the second sentence of Article 6(6); and
  - (ii) the *residual entity* has invested 15% or less of its assets in *money debts* in accordance with the law of that territory in the application of those provisions,
- there is no savings income
- (9) In the application of paragraphs (5) and (8), where the *agent* cannot ascertain whether or not the *collective investment fund* or *residual entity*, as appropriate, has invested 15% or less of its assets in *money debts* in accordance with those provisions, there is savings income.
- (10) The percentages referred to in this regulation shall be determined by reference to the investment policy as laid down in the fund rules or instruments of incorporation of the *collective investment fund* or *residual entity* concerned and, failing which, by reference to the actual composition of the assets of the *collective investment fund* or *residual entity*.
- (11) In this regulation a *collective investment fund* is—
- (a) a *UCITS* authorised in accordance with *the UCITS Directive* or an equivalent undertaking for collective investment established in a territory with which *arrangements* have been made;
  - (b) an entity which is treated as being a *UCITS* authorised in accordance with *the UCITS Directive* for the purposes of *the Savings Directive* by virtue of Article 4(3); or
  - (ba) an entity which is treated as being an equivalent undertaking for collective investment established in a territory with which *arrangements* have been made for the purposes of those *arrangements* by virtue of provisions which are equivalent to Article 4(3); or
  - (c) an undertaking for collective investment which is not established in the Community or in a territory with which *arrangements* have been made.

This is subject to the following qualification.

If a collective investment fund provides arrangements for separate pooling of the contributions of the participants and the profits or income out of which payments are to be made to them and under which participants are entitled to exchange rights in one pool for rights in another, each separate pool shall be treated as a separate collective investment fund.

- (12) In this regulation—

“*building society*” means a building society within the meaning of the Building Societies Act 1986<sup>8</sup>;

“*permanent interest bearing shares*” has the meaning given in section 117(11) of the Taxation of Chargeable Gains Act 1992<sup>9</sup>;

“*registered industrial and provident society*” has the meaning given in section 486(12) of the Income and Corporation Taxes Act 1988 as extended by section 486(9) of that Act; and

“*share interest*” has the meaning given in section 486(12) of the Income and Corporation Taxes Act 1988<sup>10</sup>.

<sup>8</sup> 1986 c.53.

<sup>9</sup> 1992 c.12. Section 117(11) was amended by the Financial Services and Markets Act 2000 (Consequential Amendments)(Taxes) Order 2001 (S.I. 2001/3629).

<sup>10</sup> 1988 c.1.

PART 2  
Information to be obtained, verified and reported

**Identity and residence of relevant payees**

9. (1) Where –
- (a) a *paying agent* makes a *savings income* payment to an individual whom he believes to be a *relevant payee*, or
  - (b) a *receiving agent* receives or secures a *savings income* payment for an individual whom he believes to be a *relevant payee*,
- the *agent* must establish the identity and *country* of residence of that individual in accordance with this regulation.
- (2) Subject to the conditions set out in this regulation, for the purposes of this regulation *the country of residence* means the *country* where the individual has his permanent address.
  - (3) Where contractual relations between the *agent* and the individual are entered into before 1<sup>st</sup> January 2004 the *agent* must verify the name, address and *country* of residence of the individual by using the information at its disposal, including information obtained pursuant to the Money Laundering Regulations 1993 and the Money Laundering Regulations 2001<sup>11</sup>.
  - (4) Where contractual relations between the *agent* and the individual are entered into, or transactions are carried out in the absence of contractual relations, on or after 1<sup>st</sup> January 2004, the *agent* shall obtain and verify–
    - (a) the name and address of the individual, and
      - (i) where the individual is resident for tax purposes in a member State, the tax identification number (if any) allocated by that member State but if it is not available the individual's date and place of birth,
      - (ii) where the individual is resident for tax purposes other than in a member State, the individual's date and place of birth,in accordance with paragraphs (5) and (7); and
    - (b) *the country of residence* of the individual in accordance with paragraphs (8) and (9).
  - (5) The information in paragraph (4)(a) shall be verified by the presentation by the individual of his passport or official identity card to the *agent*.
  - (6) If the address does not appear on that passport or official identity card, it shall be verified by the presentation by the individual of any *other documentary proof of identity* to the *agent*.
  - (7) If the tax identification number is not required or if it is and it is not mentioned on the passport, official identity card or any *other documentary proof of identity* presented by the individual, the *agent* shall instead verify the individual's date and place of birth on the basis of his passport or official identity card.
  - (8) Subject to paragraph (9), *the country of residence* of the individual shall be determined on the basis of his address verified in accordance with paragraphs (5) and (6).
  - (9) .....

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<sup>11</sup> S.I. 1993/1933 and S.I. 2001/3641. Both these Regulations will be revoked and replaced by the Money Laundering Regulations 2003 (S.I. 2003/3075) on 1<sup>st</sup> March 2004.

- (9) Where an individual presents a passport or official identity card issued by a member State and declares himself to be resident in a *third country* –
- (a) the *agent* shall establish *the country of residence* by means of a certificate of residence for tax purposes issued by the *competent authority* of the *third country* which the individual claims to be his *country* of residence;
  - (b) if the individual fails to present such a certificate, the member State that issued the passport or other official identity document shall be considered to be *the country of residence*.
- (10) The individual may present a *certified copy* of any of the documents referred to in this regulation.

Here “*certified copy*” means a copy certified or otherwise authenticated in such manner as would make it admissible in evidence in proceedings before a court.

- (11) In this regulation –

“*competent authority*” means the competent authority for the purposes of bilateral or multilateral tax conventions or, failing that, such other authority as is competent to issue certificates of residence for tax purposes;

“*other documentary proof of identity*” includes certificates of residence for tax purposes.

**Information to be reported to Revenue and Customs by paying agents making payments to relevant payees**

10. (1) When a *paying agent* makes a *savings income* payment for the immediate benefit of a *relevant payee* the information prescribed by paragraph (2) must be reported by the *paying agent* to *Revenue and Customs* in accordance with regulations 14 and 15.
- (2) The information prescribed is–
- (a) the name and address of the *paying agent*;
  - (b) the name, address and *country of residence* of the *relevant payee* established in accordance with regulation 9;
  - (c) where contractual relations between the *relevant payee* and the *paying agent* were entered into, or transactions are carried out in the absence of contractual relations, on or after 1<sup>st</sup> January 2004, the tax identification number is not required, or if it is and it is not available, the *relevant payee*'s date and place of birth, established in accordance with regulation 9;
  - (d) the account number of the *relevant payee* or, where there is none, identification of the *money debt* or other instrument giving rise to the *savings income*;
  - (e) the amount and category of the *savings income* payments made to the *relevant payee* in accordance with regulation 13 and the currency in which they were paid.

**Information to be reported to Revenue and Customs by paying agents making payments to residual entities**

11. (1) When a *paying agent* makes a *savings income* payment to a *residual entity* established in a *prescribed territory* the information prescribed by paragraph (2) must be reported by the *paying agent* to *Revenue and Customs* in accordance with regulations 14 and 15.
- (2) The information prescribed is–
- (a) the name and address of the *paying agent*;
  - (b) the name and address of the *residual entity* (including the territory in which it is established); and
  - (c) the total amount and category of the *savings income* payments made to the *residual entity* in accordance with regulation 13 and the currency in which they were paid.

### Information to be reported to Revenue and Customs by receiving agents

12. (1) When a *receiving agent* receives or secures *savings income* the information prescribed by paragraph (2), in respect of each *relevant payee* the *savings income* is attributable to, must be reported by the *receiving agent* to *Revenue and Customs* in accordance with regulations 14 and 15.
- (2) The information prescribed is—
- (a) a statement that the *savings income* has been received or secured by the *receiving agent* in his capacity as such;
  - (b) the name and address of the *receiving agent*;
  - (c) the name, address and *country of residence* of the *relevant payee* established in accordance with regulation 9;
  - (d) where contractual relations between the *relevant payee* and the *receiving agent* were entered into, or transactions are carried out in the absence of contractual relations, on or after 1<sup>st</sup> January 2004, the tax identification number is not required or if it is and it is not available, the *relevant payee*'s date and place of birth, established in accordance with regulation 9;
  - (e) the account number of the *relevant payee* or, where there is none, identification of the *money debt* or other instrument giving rise to the *savings income*;
  - (f) the amount and category of the *savings income* received or secured by the *receiving agent* in accordance with regulation 13 and the currency in which it was paid.

### The amount of savings income to be reported to Revenue and Customs

13. (1) The information concerning the *savings income* prescribed by paragraph (2) must be reported by the *agent* to *Revenue and Customs*.
- (2) The *agent* shall identify under which of the following three categories he is reporting the *savings income* and where the *savings income* is of the type prescribed by —
- (a) regulation 8(1)(a), report the amount of *savings income*;
  - (b) sub-paragraph (b) or (d) of regulation 8(1), report either the amount of *savings income* or the full amount of the proceeds from the sale, redemption or refund;
  - (c) regulation 8(1)(c), report either the amount of *savings income* or the full amount of the distribution.
- (3) Where the *agent* has reported *savings income* under sub-paragraph (a) or (c) of paragraph (2) no further report of the same *savings income* is required under sub-paragraph (b) of that paragraph.

PART 3  
Reporting the information

**Paying and receiving agents to notify Revenue and Customs of reportable payments**

- 14.** (1) An *agent* who must report information to *Revenue and Customs* in accordance with these Regulations must notify *Revenue and Customs* in writing that he needs to make a report within 14 days of the end of the tax year in which—
- (a) in the case of a *paying agent*, the *savings income* payment was made, or
  - (b) in the case of a *receiving agent*, the *savings income* was secured or received,
- unless the *agent* has already received a notice under regulation 15 from *Revenue and Customs* in respect of that tax year.
- (2) An *agent* who fails to comply with paragraph (1) is liable to a penalty not exceeding £3000 determined in accordance with section 100 of the Taxes Management Act 1970<sup>12</sup>.
- (3) Sections 100A, 100B, 102, 103(4) and 118(2) of the Taxes Management Act 1970<sup>13</sup> apply to a penalty determined in accordance with paragraph (2).

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<sup>12</sup> 1970 c.9. Section 100 was substituted by section 167 of the Finance Act 1989 (c.26) and amended by the Finance Act 1990 (c.29), the General and Special Commissioners (Amendment of Enactments) Regulations 1994 (S.I. 1994/1813), the Finance Act 1998 (c.36) and the Finance Act 2001 (c.9).

<sup>13</sup> 1970 c.9. Sections 100A, 100B and 103 were substituted, and section 102 amended, by the Finance Act 1989 (c.26). Section 100B was amended by the General and Special Commissioners (Amendment of Enactments) Regulations 1994 (S.I. 1994/1813), the Finance Act 1994 (c.9) and the Finance Act 1995 (c.4). Section 118(2) was amended by the Finance Act 1970 (c.24) and the Finance (No. 2) Act 1987 (c.51).

## Reports by paying and receiving agents to Revenue and Customs

15. (1) *Revenue and Customs* must send a notice to –
- (a) an *agent* who has notified *Revenue and Customs* in accordance with regulation 14(1);
  - (b) any person *Revenue and Customs* considers should have notified it in accordance with regulation 14(1) but has not done so; and
  - (c) any person who has notified *Revenue and Customs* in accordance with regulation 14(1) in respect of a previous tax year, unless–
    - (i) the person has informed *Revenue and Customs*; or
    - (ii) an officer of Revenue and Customs has reasonable grounds to believe, that he is no longer an *agent*.
- (2) The notice must specify –
- (a) the information prescribed by these Regulations which must be reported;
  - (b) the tax year in respect of which the report must be made and that the report must be in respect of all *savings income* payments for that tax year;
  - (c) the form in which the report must be made;
  - (d) the address to which the report must be delivered; and
  - (e) the date by which the report must be delivered which shall be a date no earlier than 30 days after the date of the notice.
- (3) For the report for the tax year in which the *commencement date* falls, the reference to the tax year in paragraph (2)(b) means the period beginning on the *commencement date* and ending at the end of the tax year in which the *commencement date* falls.
- Here “*commencement date*” is the date specified in the notices under regulation 1(2).
- (4) The notice may be combined with a notice issued under section 17 or 18, or under both of those sections, of the Taxes Management Act 1970<sup>14</sup>.
- (5) The *agent* or person, as appropriate, must make and deliver the report in accordance with the requirements specified in the notice.
- (6) Paragraph (5) applies regardless of whether any *savings income* is reportable in accordance with these Regulations.

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<sup>14</sup> 1970 c.9. Section 17 was amended by the Finance Act 1988 (c.36), the Finance Act 1990 (c.29), the Finance (No.2) Act 1992 (c.48), the Finance Act 1996 (c.8) and the Finance Act 2000 (c.17). Section 18 was amended by the Finance Act 1988 (c.36), the Income and Corporation Taxes Act 1988 (c.9), the Finance Act 1990 (c.29) and the Finance Act 2000 (c.17).

## PART 4 Audit

### Audit and related issues

16. (1) An officer of Revenue and Customs may by notice require an **agent**, or a person who appears to that officer to be an **agent**, to furnish them within such time, not being less than 14 days, as may be provided by the notice, such information (including copies of any relevant books, documents or other records) as they may reasonably require for the purposes of determining whether information contained in a report under these Regulations by that **agent** or person, as appropriate, was correct and complete.
- (2) An **agent** or person, as appropriate, required to make and deliver a report under these Regulations shall, whenever required to do so within the period specified in paragraph (4)(c), make available for inspection by an officer of Revenue and Customs, at such time as that officer may reasonably require, all such copies of books, documents or other records in his possession or under his control as may be required by an officer of Revenue and Customs under paragraph (1).
- (3) An **agent** or person, as appropriate, required to make and deliver a report under these Regulations shall retain, for the period specified in paragraph (4), all such books, documents and other records copies of which he may be required to make available for inspection under paragraph (2). These documents include copies of the documents presented by **relevant payees** in accordance with regulation 9.
- (4) The period specified is –
- (a) in relation to information concerning the identity and **country of residence** of a **relevant payee** the period of two years beginning immediately after the end of the tax year in which transactions between the **relevant payee** and **paying agent** cease;
  - (b) in relation to the official evidence referred to in regulation 4(3) the period of two years beginning immediately after the end of the tax year in which transactions between the entity and **paying agent** cease; and
  - (c) in relation to information concerning **savings income** the period of two years beginning immediately after the end of the tax year to which the notice referred to in regulation 15(1) relates.
- (5) Paragraphs (3) and (4) are without prejudice to the following provisions–
- (i) regulations 8(5) and 14(6) of the Income Tax (Deposit-takers and Building Societies) (Interest Payments) Regulations 2008;
- Paragraphs (ii) and (iii) omitted
- (iv) regulation 9 of the Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 2003<sup>15</sup> including that regulation as modified by regulation 28(8) of the Open-ended Investment Companies (Tax) Regulations 1997<sup>16</sup>.
- (6) .....

<sup>15</sup> S.I. 2003/1830.

<sup>16</sup> S.I. 1997/1154, as amended by the Open-ended Investment Companies (Tax)(Amendment) Regulations 2003 (S.I. 2003/1831).

- (6) Subject to paragraph (7), information obtained by *Revenue and Customs* under this Regulation—
- (a) shall not be used for the purpose of ascertaining the tax liability (if any) of any person other than—
    - (i) a person beneficially entitled to a payment to whom the information obtained relates, and
    - (ii) the person by whom the payment was made or received; and
  - (b) shall otherwise be used only for the purposes of—
    - (i) these Regulations, unless the notice issued under regulation 15(1) is combined with a notice under section 17 or 18, or both of those sections, of the Taxes Management Act 1970, in which case only for the purposes of these Regulations and with whichever of those sections the notice was combined,
    - (ii) the provisions of Chapter 2 of Part 15 of the Income Tax Act 2007 relating to the deduction of tax from payments by building societies and deposit-takers, ||
    - (iii) the Income Tax (Deposit-takers and Building Societies) (Interest Payments) Regulations 2008, and, ||
    - Paragraph (iv) omitted ||
    - (v) the Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 2003 including these Regulations as modified by the Open-ended Investment Companies (Tax) Regulations 1997.
- (7) Paragraph (6) shall not be construed as preventing any disclosure of information under section 182(5) of the Finance Act 1989<sup>17</sup>.

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<sup>17</sup> 1989 c.26. Section 182(5) was amended by the Tax Credits Act 1999 (c.10).

## PART 5 Transitional provisions

### Transitional provisions - negotiable debt securities

17. (1) Until 31st December 2010 negotiable debt securities to which paragraph (2) applies shall not be considered to be *money debts*.
- (2) This paragraph applies to negotiable debt securities—
- (a) which were first issued before 1st March 2001; or
  - (b) for which the original prospectus was approved before that date by—
    - (i) the competent authority within the meaning of *the Securities Directive*; or
    - (ii) the responsible authorities in third countries,
- provided that no further issues of such negotiable debt securities are made on or after 1<sup>st</sup> March 2002.
- (3) Where a further issue is made on or after 1st March 2002 of negotiable debt securities described in paragraphs (2)(a) and (b) issued by a Government or *a related entity acting as a public authority or whose role is recognised by an international treaty*, as defined in the Schedule, the entire issue of such security, consisting of the original issue and any further issue, shall be considered a *money debt*.
- (4) If a further issue is made on or after 1st March 2002 of a negotiable debt security described in paragraphs (2)(a) and (b) issued by a person not referred to in paragraph (3), such further issue shall be considered a *money debt*.
- (5) Where an *agent* cannot ascertain whether paragraphs (2) to (4) apply the entire issue of the negotiable debt security shall be considered a *money debt*.
- (6) A negotiable debt security is a security that can be transferred from one creditor to another without the approval of the debtor.

### SCHEDULE

#### Negotiable debt securities: entities referred to in regulation 17(3)

For the purposes of regulation 17(3), an entity is “*a related entity acting as a public authority or whose role is recognised by an international treaty*” if it is listed in Table 1 or Table 2 below or it is situated in a *third country* and meets the following criteria—

- (a) the entity is clearly considered to be a public entity according to the national criteria;
- (b) such public entity is a non-market producer which administers and finances a group of activities, principally providing non-market goods and services, intended for the benefit of the community and which are effectively controlled by general government;
- (c) such public entity is a large and regular issuer of debt; and
- (d) the State concerned is able to guarantee that such public entity will not exercise early redemption in the event of gross-up clauses.

**Table 1**  
**Entities within the European Union**

<i>Member State</i>	<i>Entity</i>
Belgium	Vlaams Gewest (Flemish Region)
	Région wallonne (Walloon Region)
	Région bruxelloise/Brussels Gewest (Brussels Region)
	Communauté française (French Community)
	Vlaamse Gemeenschap (Flemish Community)
	Deutschsprachige Gemeinschaft (German-speaking Community)
Bulgaria	Общините (municipalities)
	Социалноосигурителни Фондове (Social Security Funds)
France	La Caisse d'amortissement de la dette sociale (CADES) (Social Debt Redemption Fund)
	L'Agence française de développement (AFD) (French Development Agency)
	Réseau Ferré de France (RFF) (French Rail Network)
	Caisse Nationale des Autoroutes (CNA) (National Motorways Fund)
	Assistance publique Hôpitaux de Paris (APHP) (Paris Hospitals Public Assistance)
	Charbonnages de France (CDF) (French Coal Board)
	Entreprise minière et chimique (EMC) (Mining and Chemicals Company)
Greece	Οργανισμός Τηλεπικοινωνιών Ελλάδος (National Telecommunications Organisation)
	Οργανισμός Σιδηροδρόμων Ελλάδος (National Railways Organisation)
	Δημόσια Επιχείρηση Ηλεκτρισμού (Public Electricity Company)
Italy	Regions
	Provinces
	Municipalities
	Cassa Depositi e Prestiti (Deposits and Loans Fund)
Latvia	Pašvaldības (Local governments)
Poland	Gminy (Communes)
	Powiaty (Provinces)
	Województwa (Districts)
	Związki gmin (Associations of Communes)
	Związki powiatów (Associations of Provinces)
	Związki województw (Associations of Districts)
	Miasto Stołeczne Warszawa (Capital City of Warsaw)
	Agencja Restrukturyzacji i Modernizacji Rolnictwa (Agency for Reconstruction and Modernisation of Agriculture)
Agencja Nieruchomości Rolnych (Agricultural Property Agency)	
Portugal	Região Autónoma de Madeira (Autonomous Region of Madeira)
	Região Autónoma dos Açores (Autonomous Region of Azores)
	Municipalities
Romania	autoritățile administrației publice locale (local public administration authorities)
Slovakia	Mestá a Obce (Municipalities)
	Železnice Slovenskej republiky (Slovak Railway Company)
	Štátny Fond Cestného Hospodárstva (State Road Management Fund)
	Slovenské Elektrárne (Slovak Power Plants)
	Vodohospodárska výstavba (Water Economy Building Company)
Spain	Xunta de Galicia (Regional Executive of Galicia)
	Junta de Andalucía (Regional Executive of Andalusia)
	Junta de Extremadura (Regional Executive of Extremadura)
	Junta de Castilla-La Mancha (Regional Executive of Castilla-La Mancha)
	Junta de Castilla-León (Regional Executive of Castilla-León)
	Gobierno Foral de Navarra (Regional Government of Navarra)
	Govern de les Illes Balears (Government of the Balearic Islands)
	Generalitat de Catalunya (Autonomous Government of Catalonia)
	Generalitat de Valencia (Autonomous Government of Valencia)
	Diputación General de Aragón (Regional Council of Aragon)
	Gobierno de las Islas Canarias (Government of the Canary Islands)
Gobierno de Murcia (Government of Murcia)	

Gobierno de Madrid (Government of Madrid)
Gobierno de la Comunidad Autónoma del País Vasco/Euzkadi (Government of the Autonomous Community of the Basque Country)
Diputación Foral de Guipúzcoa (Regional Council of Guipúzcoa)
Diputación Foral de Vizcaya/Bizkaia (Regional Council of Vizcaya)
Diputación Foral de Alava (Regional Council of Alava)
Ayuntamiento de Madrid (City Council of Madrid)
Ayuntamiento de Barcelona (City Council of Barcelona)
Cabildo Insular de Gran Canaria (Island Council of Gran Canaria)
Cabildo Insular de Tenerife (Island Council of Tenerife)
Instituto de Crédito Oficial (Public Credit Institution)
Instituto Catalán de Finanzas (Finance Institution of Catalonia)
Instituto Valenciano de Finanzas (Finance Institution of Valencia)

**Table 2**  
**International entities**

European Bank for Reconstruction and Development
European Investment Bank
Asian Development Bank
African Development Bank
World Bank/IBRD/IMF
International Finance Corporation
Inter-American Development Bank
Council of Europe Social Development Fund
Euratom
European Community
Corporación Andina de Fomento (CAF) (Andean Development Corporation)
Eurofima
European Coal and Steel Community
Nordic Investment Bank
Caribbean Development Bank

Note: The provisions of regulation 17 are without prejudice to any international obligations that member States or territories with which *arrangements* have been made may have entered into with respect to the international entities listed in Table 2.

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