SCHEDULE

Class or description of article	*Rate for determining quantity of hydrocarbon oil Gallons per 100 lbs. of the dyestuff intermediate*
Synthetic organic intermediates for dyestuffs, the following—	
(1) 3 - Hydroxy - 2 - naphthanilide	2·82
(2) *NN'* - Di (acetoacet) - *o* - tolidide	18·11
(3) 3 - Hydroxy - 2 - naphtho - 2' - naphthylamide ...	5·06
(4) 3 - Hydroxy - 2 - naphtho - 4' - chloro - 2' - methylanilide	12·64
(5) 3 - Hydroxy - 2 - naphtho - *m* - nitroanilide ...	3·11

EXPLANATORY NOTE.

(*This Note does not form part of the Order, but is intended to indicate its general purport.*)

This Order provides for the allowance of drawback of customs or excise duty paid in respect of hydrocarbon oils used in the manufacture or preparation of the synthetic organic intermediates for dyestuffs specified in the Schedule to the Order. The drawback applies when such substances are exported or shipped or deposited in warehouse for use as ships' stores on or after 29th September, 1954. The quantities of oil in respect of which drawback is allowable are to be determined in accordance with the provisions of the Schedule.

INCOME TAX

DOUBLE TAXATION RELIEF

1954 No. 1366

The Double Taxation Relief (Taxes on Income) (General) (No. 3) Regulations, 1954

Made - - - - 18*th October*, 1954
Coming into Operation 25*th October*, 1954

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 351 of the Income Tax Act, 1952(**a**), hereby make the following Regulations:—

1.—(1) These Regulations may be cited as the Double Taxation Relief (Taxes on Income) (General) (No. 3) Regulations, 1954, and shall come into operation on the twenty-fifth day of October, 1954.

(2) In these Regulations "the principal Regulations" means the Double Taxation Relief (Taxes on Income) (General) Regulations, 1946(**b**), and, except so far as the context otherwise requires, references to Regulation 3 of those Regulations shall be construed as references to that Regulation as amended by Regulation 2 of these Regulations.

(3) The Interpretation Act, 1889(**c**), shall apply to these Regulations as it applies to an Act of Parliament.

(a) 15 & 16 Geo. 6. & 1 Eliz. 2. c. 10. (b) S.R. & O. 1946/466 (Rev. X, p. 328: 1946 I, p. 867).
(c) 52 & 53 Vict. c. 63.

2. Paragraph (3) of Regulation 3 of the principal Regulations shall have effect as if the following words were added at the end thereof:

"and where he would have been required to account for tax on part only of the payment, there shall be made to him, against the tax otherwise payable by him for the year in which the payment is made, an allowance equal to the amount of tax which, but for the notice, he would have been entitled to retain on making the payment."

3. Where, but for the provisions of paragraph (3) of Regulation 3 of the principal Regulations, a person would have been chargeable with tax under section 170 of the Income Tax Act, 1952, in respect of any payment, the provisions of the Income Tax Acts relating to relief for losses shall apply as if the tax with which he would have been so chargeable had been paid by him under an assessment under the said section 170.

4. For the purpose of the computation of surpluses and deficits under subsection (5) of section 20 of the Finance Act, 1953(**a**) (which relates to subvention payments between associated companies) payments to which paragraph (3) or paragraph (4) of Regulation 3 of the principal Regulations applies shall be treated respectively as payments to which section 170 or section 169 of the Income Tax Act, 1952, applies.

5. Any dispute as to the computation of any relief or any surplus or deficit by reference to the provisions of the two last preceding Regulations shall be heard and determined by the Special Commissioners in like manner as an appeal against an assessment under section 170 of the Income Tax Act, 1952, and the provisions of the Income Tax Acts relating to the statement of a case for the opinion of the High Court shall apply.

6. Subsection (5) of section 42 of the Finance Act, 1938(**b**) (which prohibits deductions for the purposes of the profits tax in respect of certain payments) shall be deemed not to extend to any payment to which paragraph (3) or paragraph (4) of Regulation 3 of the principal Regulations applies other than a payment the income tax in respect of which may be recovered under paragraph (6) of that Regulation.

By Order of the Commissioners of Inland Revenue.

E. R. Brookes,
Secretary.

18*th October*, 1954.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

Regulation 3 of the Double Taxation Relief (Taxes on Income) (General) Regulations, 1946 (S.R. & O. 1946 No. 466) provides for the payment without deduction of United Kingdom tax of certain royalties etc. payable to non-residents in cases where the payment is exempt from tax by virtue of a double taxation agreement, and for consequential adjustments required to put the payer in the same position as regards his own income tax liability as if tax had been deductible. Regulations 2 to 5 of the present Regulations provide for further adjustments of this sort. Regulation 6 permits such payments to be deducted in computing the paying company's profits tax liability where the recipient is a company under the same control.

(**a**) 1 & 2 Eliz. 2. c. 34. (**b**) 1 & 2 Geo. 6. c. 46.