EXPLANATORY NOTE

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

Finance Act, 1956, s. 15 (3) (*b*), provides that investment allowances are to be continued for expenditure incurred after 17th February, 1956, on prescribed fuel-saving plant if it is installed by way of modification or replacement of plant in use in the United Kingdom. The Investment Allowances (Fuel Economy Plant) Order, 1957, (which superseded an earlier order) prescribes a list of fuel-saving plant and the conditions, if any, upon which such plant is prescribed. The present Order, as from the date when it comes into operation, prescribes the following additional items :—

(*a*) gas-tight sealing dampers ;

(*b*) necessary operating equipment for gas-tight sealing dampers, of types not suitable for use in connection with other dampers.

DOUBLE TAXATION RELIEF

1958 No. 365

The Double Taxation Relief (Taxes on Income) (Swedish Dividends) Regulations, 1958

Made - - - -	*7th March,* 1958
Coming into Operation	12*th March,* 1958

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) (Swedish Dividends) Regulations, 1958, and shall come into operation on the twelfth day of March, 1958.

(2) As from that date the Double Taxation Relief (Taxes on Income) (Swedish Dividends) Regulations, 1950(b) are hereby revoked.

2.—(1) In these Regulations, unless the context otherwise requires—

" Swedish dividend " means a dividend paid by a company which is a resident of Sweden, as defined in the Convention between Her Majesty in respect of the United Kingdom and His Majesty the King of Sweden which is scheduled to the Double Taxation Relief (Taxes on Income) (Sweden) Order, 1949(c), or any part of such a dividend ;

" gross amount ", in relation to any Swedish dividend, means the amount declared payable by the company paying the dividend, without any deduction in respect of United Kingdom income tax or Swedish coupon tax ;

" the Commissioners " means the Commissioners of Inland Revenue ;

other expressions have the same meaning as in the Income Tax Acts.

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10. (b) S.I. 1950/1443 (1950 I, p. 1067).
(c) S.I. 1949/1841 (1949 I, p. 2316).

(2) The Interpretation Act, 1889(a), shall apply to these Regulations as it applies to an Act of Parliament.

3. Where Swedish coupon tax at the rate of 5 per cent and United Kingdom income tax have been deducted from any Swedish dividend, and it is subsequently proved to the satisfaction of the Commissioners that the person beneficially entitled to the dividend is not resident in the United Kingdom, the Commissioners shall as far as may be withhold, on account of Swedish tax, out of any repayment due to that person in respect of the United Kingdom income tax so deducted, the amount by which the Swedish coupon tax that in the absence of any relief ought to have been deducted from the dividend exceeds 5 per cent of the gross amount of that dividend, and the Commissioners shall be acquitted and discharged of the amount so withheld as if it had been actually repaid to that person.

4. All amounts withheld by the Commissioners under Regulation 3 of these Regulations shall be paid to the taxation authorities of Sweden in accordance with such arrangements as may be made for the purpose between the Commissioners and those authorities.

By Order of the Commissioners of Inland Revenue.

E. R. Brookes,
Secretary,

7th March, 1958.

EXPLANATORY NOTE

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

Under the double taxation convention between the United Kingdom and Sweden, residents of the United Kingdom who are subject to tax in the United Kingdom on dividends paid by a Swedish company are subject to Swedish coupon tax at the reduced rate of 5 per cent and not at the rate generally in force, which at the date the convention came into effect was 20 per cent.

The Double Taxation Relief (Taxes on Income) (Swedish Dividends) Regulations, 1950, (S.I. 1950/1443), which these Regulations supersede, provided that, where Swedish tax had been deducted at the reduced rate of 5 per cent and United Kingdom tax had also been deducted but repayment of the United Kingdom tax was subsequently claimed on the ground that the person entitled to the income was not resident in the United Kingdom, the Commissioners were to withhold from the repayment found to be due and pay over to the Swedish tax authorities an amount equal to the further 15 per cent due in respect of Swedish tax.

As from 1st January, 1957, the rate of Swedish coupon tax was increased from 20 per cent to 30 per cent. These Regulations are therefore necessary to give the Commissioners authority, in the cases mentioned in the preceding paragraph, to withhold from the repayment found to be due and pay over to the Swedish authorities an amount equal to the further 25 per cent now due in respect of Swedish tax. The Regulations have been so drafted that if the rate of Swedish coupon tax should be changed in the future new Regulations will not be required.

(a) 52 & 53 Vict. c. 63.