

Merchanting profit. ITA67 s204; F(MP) A 68 s3(2) and Sch Ptl 1038.—Where a non-resident person is chargeable to income tax in the name of any branch, manager, agent, factor or receiver in respect of any profits or gains arising from the sale of goods or produce manufactured or produced outside the State by the non-resident person, the person in whose name the non-resident person is so chargeable may, if that person thinks fit, apply to—

(a) the inspector, or

(b) in case of an appeal, to the Appeal Commissioners,

to have the assessment to income tax in respect of those profits or gains made or amended on the basis of the profits which might reasonably be expected to have been earned by—

(i) a merchant, or

(ii) where the goods are retailed by or on behalf of the manufacturer or producer, by a retailer of the goods sold,

who had bought from the manufacturer or producer direct and, on proof to the satisfaction of the inspector or, as the case may be, the Appeal Commissioners of the amount of the profits on that basis, the assessment shall be made or amended accordingly.