

Exemption of certain securities. ITA67 s474; FA92 s42(1)(c); FA97 s47, s146(1) and Sch9 Ptl par1 (32) 49.—(1) This section shall apply to any stock or other security on which interest is payable without deduction of tax by virtue of a direction given by the Minister for Finance in pursuance of section 37 , 38 , 39 , 40 or 41.

(2) Any stock or other security to which this section applies may be issued with either or both of the following conditions—

(a) that neither the capital of nor the interest on the stock or other security shall be liable to tax so long as it is shown in the manner directed by the Minister for Finance that the stock or other security is in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the State, and

(b) that the interest on the stock or other security shall not be liable to tax so long as it is shown in the manner directed by the Minister for Finance that the stock or other security is in the beneficial ownership of persons who, though domiciled in the State, are not ordinarily resident in the State,

and accordingly, as respects every such stock or other security so issued, exemption from tax shall be granted.

(3) (a) Notwithstanding subsection (2), where a security to which this section applies has been issued with either or both of the conditions referred to in that subsection and the security is held by or for a branch or agency through which a company carries on a trade or business in the State, which is such a trade or business, as the case may be, that, if the security had been issued without either of those conditions, interest on, or other profits or gains from, the security accruing to the company would be chargeable to corporation tax under Case I or, as respects interest and other profits or gains accruing on or after the 21st day of April, 1997, from the security, Case IV of Schedule D, or in accordance with section 726, then, such interest and profits or gains shall be charged to tax as if the security had been issued without either of those conditions.

(b) Paragraph (a) shall apply as respects securities acquired by a company after the 15th day of May, 1992, whether they were issued before or after that date.