

Interest payments by companies and to non-residents. FA74 s31; CTA76 s140(1) and Sch2 Ptl par42; FA88 s38; FA96 s33(1) and s132(2) and Sch5 PtlI; FA97 s36 246.—(1) In this section—

“company” means any body corporate;

“relevant security” means a security issued by a company on or before the 31st day of December, 2005, on terms which oblige the company to redeem the security within a period of 15 years after the date on which the security was issued.

(2) Where any yearly interest charged with tax under Schedule D is paid—

(a) by a company, otherwise than when paid in a fiduciary or representative capacity, to a person whose usual place of abode is in the State, or

(b) by any person to another person whose usual place of abode is outside the State,

the person by or through whom the payment is made shall on making the payment deduct out of the payment a sum representing the amount of the tax on the payment at the standard rate in force at the time of the payment, and subsections (1) and (3) to (5) of section 238 shall apply to such payments as they apply to payments specified in subsection (2) of that section.

(3) Subsection (2) shall not apply to—

(a) interest paid in the State on an advance from a bank carrying on a bona fide banking business in the State,

(b) interest paid by such a bank in the ordinary course of such business,

(c) interest paid to a person whose usual place of abode is outside the State by—

(i) a company in the course of carrying on relevant trading operations within the meaning of section 445 or 446, or

(ii) a specified collective investment undertaking within the meaning of section 734,

(d) interest paid by a company authorised by the Revenue Commissioners to pay interest without deduction of income tax,

(e) interest on any securities in respect of which the Minister for Finance has given a direction under section 36,

(f) interest paid without deduction of tax by virtue of section 700, or

(g) interest which under section 437 is a distribution.

(4) In relation to interest paid in respect of a relevant security subsection (3)(c) shall apply—

(a) as if there were deleted from subsection (2) of section 445 “, and any certificate so given shall, unless it is revoked under subsection (4), (5) or (6), remain in force until the 31st day of December, 2005”, and

(b) as if there were deleted from subsection (2) of section 446 “, and any certificate so given shall, unless it is revoked under subsection (4), (5) or (6), remain in force until the 31st day of December, 2005”.