

Corporation tax: treatment of tax-free income of non-resident banks, insurance businesses, etc. CTA76 s51(1), (2), (3) (a), (4), (5) and (6) 845.—(1) In this section, “insurance business” includes assurance business within the meaning of section 3 of the Insurance Act, 1936 .

(2) In this section and in section 846, “tax-free securities” means securities to which section 43, 49 or 50 applies and which were issued with a condition regulating the treatment of the interest on the securities for tax purposes such that the interest on the securities is excluded in computing income or profits.

(3) (a) In this subsection, “securities” includes stocks and shares.

(b) Where a banking business, an insurance business or a business consisting wholly or partly in dealing in securities is carried on in the State by a person not resident in the State, then—

(i) in computing for the purposes of the Tax Acts the profits arising from, or loss sustained in, the business, and

(ii) in the case of an insurance business, also in computing the profits or loss from pension business and general annuity business under section 715,

section 76 shall not prevent the inclusion of interest, dividends and other payments to which section 35 or 63 extends notwithstanding the exemption from tax conferred by those sections respectively.

(4) Where—

(a) any business referred to in subsection (3) (b) is carried on in the State by a person not ordinarily resident in the State, and

(b) in making any computation referred to in that subsection with respect to that business, interest on tax-free securities is excluded by virtue of a condition of the issue of such securities,

any expenses attributable to the acquisition or holding of, or to any transaction in, the securities (but not including in those expenses any interest on borrowed money), and any profits or losses so attributable, shall also be excluded in making that computation.

(5) In the case of an overseas life assurance company ), in computing for the purposes of section 726 the income from the investments of the life assurance fund of the company, any interest, dividends and other payments to which section 35 or 63 extends shall be included notwithstanding the exemption from tax conferred by those sections respectively.