

Exemption of premiums on certain securities. FA69 s63; FA70 s59(1) and (6); FA73 s92(1) and (2)(b); FA74 s86 and Sch2 Ptl; FA84 s28; FA89 s98(1); FA90 s138; FA94 s161(1) and (2)(b); FA97 s34 48.—(1) The securities to which this subsection applies are—

(a) securities created and issued by the Minister for Finance under the Central Fund (Permanent Provisions) Act, 1965 , or under any other statutory powers conferred on that Minister, and any stock, debenture, debenture stock, certificate of charge or other security issued with the approval of the Minister for Finance given under any Act of the Oireachtas and in respect of which the payment of interest and repayment of capital is guaranteed by the Minister for Finance under that Act, but excluding securities to which section 4 of the Central Fund Act, 1965 , or section 45 (1) or 46 applies,

(b) securities ) issued by a body corporate and in respect of which the payment of interest and the repayment of principal is guaranteed by a Minister of the Government under statutory authority,

(c) any stock or other form of security issued in the State by the European Community, the European Coal and Steel Community, the European Atomic Energy Community or the European Investment Bank, and

(d) any stock or other form of security issued by the International Bank for Reconstruction and Development.

(2) The excess of the amount received on the redemption of a unit of securities to which subsection (1) applies over the amount paid for the unit on its issue shall, except where the excess is to be taken into account in computing for the purposes of taxation the profits of a trade, be exempt from tax.

(3) Subsection (2) shall not apply to issues of securities to which subsection (4) applies made after the 25th day of January, 1984, unless a tender for any such securities was submitted on or before that date.

(4) The securities to which this subsection applies are—

(a) non-interest-bearing securities issued by the Minister for Finance at a discount, including Exchequer Bills and Exchequer Notes,

(b) Agricultural Commodities Intervention Bills issued by the Minister for Agriculture and Food, and

(c) strips within the meaning of section 54 (10) of the Finance Act, 1970 of the Finance Act, 1997 ).

(5) (a) In this subsection, “owner”, in relation to securities, means at any time the person who would be entitled, if the securities were redeemed at that time by the issuer, to the proceeds of the redemption.

(b) Notwithstanding subsection (3), where the owner of a security to which subsection (4) applies—

(i) sells or otherwise disposes of the security, or

(ii) receives on redemption of the security an amount greater than the amount paid by the owner for that security either on its issue or otherwise,

any profit, gain or excess arising to the owner from such sale, disposal or receipt shall be exempt from tax where the owner is not ordinarily resident in the State; but this subsection shall not apply in respect of corporation tax chargeable on the income of an Irish branch or agency of a company not resident in the State.