

Deduction of tax from relevant interest. FA 86 s32 257.—(1) Where a relevant deposit taker makes a payment of relevant interest—

(a) the relevant deposit taker shall deduct out of the amount of the payment the appropriate tax in relation to the payment,

(b) the person to whom such payment is made shall allow such deduction on the receipt of the residue of the payment, and

(c) the relevant deposit taker shall be acquitted and discharged of so much money as is represented by the deduction as if that amount of money had actually been paid to the person.

(2) A relevant deposit taker shall treat every deposit made with it as a relevant deposit unless satisfied that such a deposit is not a relevant deposit; but, where a relevant deposit taker has satisfied itself that a deposit is not a relevant deposit, it shall be entitled to continue to so treat the deposit until such time as it is in possession of information which can reasonably be taken to indicate that the deposit is or may be a relevant deposit.

(3) Any payment of relevant interest which is within subsection (1) shall be treated as not being within section 246.