

CHAPTER 4 Miscellaneous provisions

Funding bonds issued in respect of interest on certain debts. ITA67 s475; CTA76 s140(1) and Sch2 Ptl par 26 51.—(1) In this section, “funding bonds” includes all bonds, stocks, shares, securities and certificates of indebtedness.

(2) This section shall apply to all debts owing by any government, public authority or public institution whatever or wherever and to all debts owing by any body corporate whatever or wherever.

(3) Where any funding bonds are issued to a creditor in respect of any liability to pay interest on a debt to which this section applies, the issue of those bonds shall be treated for the purposes of the Tax Acts as if it were the payment of an amount of the interest equal to the value of the bonds at the time of the issue of the bonds, and the redemption of the bonds shall not be treated for any of the purposes of the Tax Acts as payment of the interest or any part of the interest.