

CHAPTER 4 Interest payments by certain deposit takers

Interpretation). FA 86 s31; FA91 s11; FA92 s22(1)(a); F(No.2)A92 s3(a); FA93 s15(1)(a); FA95 s11(1) and s167 256.—(1) In this Chapter—

“amount on account of appropriate tax” shall be construed in accordance with section 258 (4);

“appropriate tax”, in relation to a payment of relevant interest, means a sum representing income tax on the amount of that payment—

(a) in the case of a relevant deposit or relevant deposits held in a special savings account, at the rate of 15 per cent, and

(b) in the case of any other relevant deposit, at the standard rate in force at the time of payment;

“building society” means a building society within the meaning of the Building Societies Act, 1989 , or a society established in accordance with the law of any other Member State of the European Communities which corresponds to that Act;

“deposit” means a sum of money paid to a relevant deposit taker on terms under which it will be repaid with or without interest and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person to whom it is made;

“foreign currency” means a currency other than the currency of the State;

“interest” means any interest of money whether yearly or otherwise, including any amount, whether or not described as interest, paid in consideration of the making of a deposit, and, as respects a building society, includes any dividend or other distribution in respect of shares in the society; but any amount consisting of an excess of the amount received on the redemption of any holding of A.C.C. Bonus Bonds — First Series, issued by ACC Bank plc, over the amount paid for the holding shall not be treated as interest for the purposes of this Chapter;

“pension scheme” means an exempt approved scheme within the meaning of section 774 or a retirement annuity contract or a trust scheme to which section 784 or 785 applies;

“relevant deposit” means a deposit held by a relevant deposit taker, other than a deposit—

(a) which is made by, and the interest on which is beneficially owned by—

(i) a relevant deposit taker,

(ii) the National Treasury Management Agency,

(iii) the State acting through the National Treasury Management Agency,

(iv) the Central Bank of Ireland, or

(v) Icarom plc,

(b) which is a debt on a security issued by the relevant deposit taker and listed on a stock exchange,

(c) which, in the case of a relevant deposit taker resident in the State for the purposes of corporation tax, is held at a branch of the relevant deposit taker situated outside the State,

(d) which, in the case of a relevant deposit taker not resident in the State for the purposes of corporation tax, is held otherwise than at a branch of the relevant deposit taker situated in the State,

(e) which is a deposit denominated in a foreign currency made—

(i) by a person other than an individual before the 1st day of January, 1993, or

(ii) by an individual before the 1st day of June, 1991,

but, where on or after the 1st day of June, 1991, and before the 1st day of January, 1993, a deposit denominated in a foreign currency is made by an individual to a relevant deposit taker with whom the individual had a deposit denominated in the same foreign currency immediately before the 1st day of June, 1991, such a deposit shall not be regarded as a relevant deposit,

(f) (i) which is made on or after the 1st day of January, 1993, by, and the interest on which is beneficially owned by—

(I) a company which is or will be within the charge to corporation tax in respect of the interest, or

(II) a pension scheme,

and

(ii) in respect of which a declaration of the kind mentioned in section 265 has been made to the relevant deposit taker,

(g) in respect of which—

(i) no person resident in the State is beneficially entitled to any interest, and

(ii) a declaration of the kind mentioned in section 263 has been made to the relevant deposit taker, or

(h) (i) the interest on which is exempt—

(I) from income tax under Schedule D by virtue of section 207 (1)(b), or

(II) from corporation tax by virtue of section 207 (1)(b) as it applies for the purposes of corporation tax under section 76 (6),

and

(ii) in respect of which a declaration of the kind mentioned in section 266 has been made to the relevant deposit taker;

“relevant deposit taker” means any of the following persons—

(a) a person who is a holder of a licence granted under section 9 of the Central Bank Act, 1971 , or a person who holds a licence or other similar authorisation under the law of any other Member State of the European Communities which corresponds to a licence granted under that section,

(b) a building society,

(c) a trustee savings bank within the meaning of the Trustee Savings Banks Acts, 1863 to 1989,

(d) ACC Bank plc,

(e) ICC Bank plc,

(f) ICC Investment Bank Limited,

(g) the Post Office Savings Bank;

“relevant interest” means interest paid in respect of a relevant deposit;

“return” means a return under section 258 (2);

“special savings account” means an account opened on or after the 1st day of January, 1993, in which a relevant deposit or relevant deposits made by an individual is or are held and in respect of which—

(a) the conditions in section 264 (1) are satisfied, and

(b) a declaration of the kind mentioned in section 264 (2) has been made to the relevant deposit taker.

(2) For the purposes of this Chapter—

(a) any amount credited as interest in respect of a relevant deposit shall be treated as a payment of interest, and references in this Chapter to relevant interest being paid shall be construed accordingly,

(b) any reference in this Chapter to the amount of a payment of relevant interest shall be construed as

a reference to the amount which would be the amount of that payment if no appropriate tax were to be deducted from that payment, and

(c) a deposit shall be treated as held at a branch of a relevant deposit taker if it is recorded in its books as a liability of that branch.