HMRC - INTM338570 - DT Applications And Claims Scheme For Interest

Syndicated Loans: application procedures

Form PTR-SM1 requires the syndicate manager to list the members of the syndicate. The list should show the members separately in country by country “blocks”. This allows us to be certain that proper amounts of treaty relief are being allowed.

Where the Syndicate Manager provides a full country by country breakdown of the syndicate members, if a lending member of a syndicate is resident in a country with which we do not have a double taxation convention we can check that UK tax is deducted from the interest payments.

It is also possible that a syndicate member might be a UK bank. In which case no tax is deductible because of the provisions of ICTA88/S840A. Or the lender may be entitled to gross payment of interest because of ICTA88/S349A.

A recommended format for listing the separate members of each Syndicate is given with each of the forms.

Example

FORMAT FOR LISTING BY “BLOCKS” THE LENDING MEMBERS OF A SYNDICATE

Each list or Block should be preceded by the name of the syndicate and a statement to the effect that

“The following are lending members of the syndicate who have been represented to the Syndicate Manager as being

resident in ………………………………………………………………………….(name of country), OR

resident in the UK but being banks within the meaning of Section 840A ICTA 1988, OR

resident in the UK (other than S840A banks).”

This should be followed by a list of the appropriate lending members, detailing their complete names and addresses (together with full details of any relevant facility office, if different).

Previous page

Next page