made for tax deducted from or assessed upon so much of the annuity as the determination declares to be the capital element to be repaid back to 6th April, 1956 (but if the claim is made on or after 6th April, 1963, for not more than six years back). Provision is made for informing the payer of the annuity how much of it is to be subject to deduction of tax at the source in the future.

The Regulations also provide that if the Inspector or the annuitant discovers an error in the determination of the capital element, it may be revised subject to the same right of appeal against the revised determination as against the original determination. When a revised determination is settled, the tax paid for past years is to be adjusted by repayment or by additional assessment as may be necessary subject to not going back beyond 6th April, 1956, or for more than six years (except that the six-year limit is not applicable where the original determination gave too high a capital element and was obtained by fraudulent means).

1956 No. 715

The Ulster and Colonial Savings Certificates (Income Tax Exemption) Regulations, 1956

Made - - - -	14*th May*, 1956
Coming into Operation	17*th May*, 1956

The Treasury, in exercise of the powers conferred on them by section 193 of the Income Tax Act, 1952(a), and of all other powers them enabling, hereby make the following Regulations:—

1. The following savings certificates are hereby declared to be certificates the proceeds of sale of which have been made available to Her Majesty's Government in the United Kingdom:—

Ulster Savings Certificates (National Defence Issue).

Ulster Savings Certificates (Supplementary Issue) issued on or before the 14th day of September, 1945.

Certificates issued under:

Bahamas Act No. 15, 1943.

Bermuda Act No. 5, 1941.

Cyprus Statute Law No. 21, 1943.

Gold Coast Ordinance No. 16, 1941.

Mauritius Ordinance No. 3, 1941.

Nigeria Ordinance No. 7, 1941.

Northern Rhodesia Ordinance No. 2, 1941.

Nyasaland Ordinance No. 17, 1941.

Palestine Ordinance No. 33, 1941.

St. Helena Ordinance No. 2, 1943.

St. Lucia (Windward Islands) Ordinance No. 18, 1941.

Seychelles Ordinance No. 1, 1943.

Straits Settlements Ordinance No. 33, 1940.

Trinidad Ordinance No. 3, 1941.

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10.

2. The territories specified in the second column of the Schedule to this Order are hereby prescribed for the purposes of subsection (3) of section 193 of the Income Tax Act, 1952, in relation to the territories respectively set out in the first column of the said Schedule.

3. The prescribed limit for the purposes of subsection (4) of Section 193 of the Income Tax Act, 1952, shall, in relation to any encashment, be the sum of:—

(*a*) the number of unit certificates of such part of the total savings certificate holding as consists of certificates issued by the Treasury or by the Government of Northern Ireland the price of which is £1 or more per unit certificate, or 250 unit certificates, whichever is the less;

(*b*) the number of unit certificates of such part of the total savings certificate holding as was issued before 1st April, 1947, not being certificates issued by the Treasury or by the Government of Northern Ireland the price of which is £1 or more per unit certificate, or 500 unit certificates, whichever is the less;

(*c*) the number of unit certificates of such part of the total savings certificate holding as was issued on or after 1st April, 1947, but before 1st February, 1951, or 1,000 unit certificates, whichever is the less;

(*d*) the number of unit certificates of such part of the total savings certificate holding as was issued on or after 1st February, 1951, or 1,400 unit certificates, whichever is the less.

4. In computing the total saving certificate holding of any person, no account shall be taken of—

(*a*) any certificates in which he has no interest otherwise than as a trustee for some other person;

(*b*) any certificates which, or an interest in which, he acquired under any will or other testamentary disposition or on an intestacy or by virtue of a nomination by some other person taking effect on the death of that other person;

(*c*) any certificates issued by the Treasury which—

(i) have been purchased by him or on his behalf out of moneys payable to him on account of a gratuity in respect of war service and form part of a special issue made in connection with war service gratuities; or

(ii) have been acquired by him as a member of a Savings Group working under the rules of the Provident Scheme of the National Savings Committee or the Scottish Savings Committee and affiliated on the National Savings Committee or the Scottish Savings Committee, or under the Pensioners' Savings Scheme of the Ministry of Pensions and National Insurance;

but save as aforesaid any certificate in which he has any interest, whether solely or jointly with any other person, shall be included.

5. In these Regulations, "unit certificate" means, in relation to certificates of any series, a certificate issued on payment of the minimum amount for which a certificate of that series is issued, and "multiple certificate" means a certificate representing any number of unit certificates; and for the purpose of these Regulations a multiple certificate shall be taken to be such number of unit certificates as is represented by the multiple certificate.

6. The Ulster and Colonial Savings Certificates (Income Tax Exemption) Regulations, 1943(**a**), the Ulster and Colonial Savings Certificates (Income Tax Exemption) Regulations, 1945(**b**), the Ulster and Colonial Savings Certificates (Income Tax Exemption) (Amendment) Regulations, 1945(**c**), and the Ulster and Colonial Savings Certificates (Income Tax Exemption) Regulations, 1952(**d**), are hereby revoked.

7. The Interpretation Act, 1889(**e**), applies to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

8. These Regulations may be cited as the Ulster and Colonial Savings Certificates (Income Tax Exemption) Regulations, 1956, and shall come into force on the seventeenth day of May, nineteen hundred and fifty-six.

Dated the fourteenth day of May, nineteen hundred and fifty-six.

Peter Legh,
Harwood Harrison,
Two of the Lords Commissioners of
Her Majesty's Treasury.

SCHEDULE

1.	2.
Bermuda	Canada. Newfoundland. The United States of America.
Palestine	The territory formerly known as Trans-Jordan.
St. Lucia	Barbados. British Guiana. Dominica. Grenada. Jamaica. The Leeward Islands. St. Vincent. Trinidad and Tobago.
The Straits Settlements	The states formerly known as The Federated Malay States. Johore. Kedah. Perlis. Kelantan Trengganu. Brunei.
Trinidad	British West Indies. British Guiana.

(**a**) S.R. & O. 1943/411 (Rev. X, p. 307 : 1943 I, p. 541). (**b**) S.R. & O. 1945/137 (Rev. X, p. 308 : 1945 I, p. 716). (**c**) S.R. & O. 1945/1687 (Rev. X, p. 309 : 1945 I, p. 717).
(**d**) S.I. 1952/89 (1952 I, p. 1218). (**e**) 52 & 53 Vict. c. 63.

EXPLANATORY NOTE

These Regulations replace existing Regulations made under section 31 of the Finance Act, 1942, now replaced by section 193 of the Income Tax Act, 1952, which provides for exemption from income tax in certain circumstances of the interest on Ulster, colonial and certain other savings certificates. The certificates to which the exemption applies are set out in Regulation 1.

Subsection (4) of section 193, however, provides in effect that where, at the date of encashment of any certificates to which section 193 applies, the total savings certificate holding (United Kingdom savings certificates as well as certificates to which section 193 applies) of the person encashing them exceeds a prescribed limit, the exemption from tax does not apply to the accumulated interest on any certificates held in excess of the prescribed limit.

Regulation 3 varies the "prescribed limit" for the purposes of subsection (4). This limit is the sum of the following:—

1. the number of unit certificates held of the United Kingdom £1 issue, and any equivalent Ulster issue, or 250 unit certificates, whichever is the less;

2. the number of unit certificates held (United Kingdom certificates as well as those to which section 193 applies), other than those mentioned in 1, issued before 1st April, 1947, or 500 unit certificates, whichever is the less;

3. the number of unit certificates held (United Kingdom certificates as well as those to which section 193 applies) issued on or after 1st April, 1947, but before 1st February, 1951, or 1,000 unit certificates whichever is the less;

4. the number of unit certificates held (United Kingdom certificates as well as those to which section 193 applies) issued on or after 1st February, 1951, or 1,400 unit certificates, whichever is the less.

The intention of the Regulations is to place certain holders of Ulster and colonial savings certificates, the proceeds of sale of which have been made available to Her Majesty's Government in the United Kingdom, in no worse a position so far as income tax is concerned than if the certificates were United Kingdom savings certificates.

1956 No. 1149

The Ulster and Colonial Savings Certificates (Income Tax Exemption) (Amendment) Regulations, 1956

Made - - - - *25th July,* 1956
Coming into Operation *1st August,* 1956

The Treasury, in exercise of the powers conferred on them by section 193 of the Income Tax Act, 1952(**a**), and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. The Ulster and Colonial Savings Certificates (Income Tax Exemption) Regulations, 1956(**b**), shall be amended—

(i) by substituting for paragraph (*d*) of Regulation 3 thereof the following paragraph:—

"(*d*) the number of unit certificates of such part of the total savings certificate holding as was issued on or after 1st February, 1951, but before 1st August, 1956, or 1400 unit certificates, whichever is the less;";

(**a**) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10. (**b**) S.I. 1956/715 (p. 1086 above).