

European Union: Council Directive applicable to interest and royalty payments between associated companies of different Member States (2003/49/EC)

APPLICATION for relief at source from United Kingdom income tax and CLAIM to repayment of United Kingdom income tax.

Use this form where a company, or a permanent establishment of a company, in another Member State of the European Union receives interest or royalties from an 'associated company' in the United Kingdom.

This form includes **Guidance Notes**. Please use the Notes to help you complete the form **and**

- Give **ALL** the information requested and **attach supporting documents** where necessary. If you need more room, attach a separate sheet. Remember to sign the **declaration** in Part E, giving details of the capacity in which you sign.
- If you claim repayment on behalf of the company or permanent establishment, attach the **tax deduction certificates** (originals, not photocopies).
- See this form's Guidance Note 5 for information about where to send the completed form EU Interest & Royalties.

Note: *In making this application/claim, you are consenting to the tax authority of the Member State in which the applicant/claimant is resident (or where the permanent establishment is situated) certifying its tax status in that Member State to the UK Inland Revenue. See Guidance Note 5.*

If you need help with this form, please write to **Inland Revenue - Centre for Non-Residents, Fitz Roy House, PO Box 46, Nottingham, England NG2 1BD**. Or phone us during UK office hours, Monday to Friday. Our number is **+ 44 115 974 1945** if calling from outside the UK or **0115 974 1945** if calling from the UK.

Part A Details of the company (or permanent establishment) receiving the income and its tax adviser (if any)

<p>Full name of the company or permanent establishment</p> <p>_____</p> <p>Full registered address (<i>do not use 'care of' address</i>)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Telephone number _____</p> <p>Fax number _____</p> <p>Reference (if any)</p>	<p>Details of tax adviser (if any) or other authorised person whom the Centre for Non-Residents may contact about the information given on this form. See Guidance Note 6.</p> <p>Name and address of adviser etc.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Telephone number _____</p> <p>Fax number _____</p> <p>Reference (if any) or contact name</p>
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For use by the tax authority in the other Member State of the European Union

Please complete this section, affix your official stamp and send this form to Inland Revenue – Centre for Non-Residents, Fitz Roy House, PO Box 46, Nottingham, England, NG2 1BD. You may wish to take a copy of this form for your records.

I certify that _____ is

(*✓ as appropriate*)

a company resident in _____ (name of Member State)

or

a permanent establishment situated in _____ (name of Member State)

within the meaning of Article 3(a)(ii) or 3(c) respectively of the EU Directive dealing with payments of interest and royalties between associated companies (2003/49/EC).

Signature _____

Date _____

Part B Questions about the company or permanent establishment

- For a **company** (as defined in Article 3(a) of the Interest & Royalties Directive) please answer all of the questions **except** questions 4 and 5.
- For a **permanent establishment** (as defined in Article 3(c) of the Interest & Royalties Directive) please answer all questions except question 3.

<i>✓' where appropriate</i>	
<p>1. Is this the company's (or permanent establishment's) first application/claim under the Interest & Royalties Directive?</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>2. In which Member State of the European Union is the company or the permanent establishment resident for tax purposes? (If this claim is being made by a permanent establishment, in which Member State the controlling company is resident for tax purposes.) (See Guidance Note 1)</p>	<div style="border: 1px solid black; height: 60px; width: 100%;"></div>
<p><i>Article 3(a)(i)</i> 3. Is this claim/application being made by a company? If "Yes", please say which type of concern (as listed in Article 3(a) of the Directive) the company is (See Guidance Note 3.) And answer question 6 on this form. If "No", please answer question 4.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
<p><i>Article 1(5)(a) and (b)</i> 4. Is this claim/application being made by a "permanent establishment" as defined at Article 3(c) of the Directive? (See Guidance Note 1) If "Yes", please answer question 5. If "No", please explain on a separate sheet of paper why you claim to be able to benefit from the terms of the Directive.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><i>Article 1(5)(a)</i> 5. Is the debt-claim, right, use or information in respect of which the payments of the interest or royalties arise effectively connected with the permanent establishment? If "Yes", please answer question 6. If "No", please explain on a separate sheet of paper why the permanent establishment claims to be able to benefit from the terms of the Directive.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><i>Article 3(a)(iii)</i> 6. Which of the taxes that is specified at Article 1(5)(b) or Article 3(a)(iii) of the Directive is the "permanent establishment" or the company subject to "without being exempt"? (If subject to a tax that is identical or substantially similar that has been imposed since the Directive came into force, please give the name of the tax.) See Guidance Note 4.</p>	<div style="border: 1px solid black; height: 60px; width: 100%;"></div>
<p><i>Article 3(b)(i) Associated Companies</i> 7. Does the claimant/applicant directly own at least 25% of the issued share capital and/or voting rights of the company that is paying the interest and/or royalties? If "No", answer question 8.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><i>Article 3(b)(ii)</i> 8. Does the company that is paying the interest/royalties directly own at least 25% of the issued share capital and/or voting rights of the claimant/applicant? If "No", answer question 9.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><i>Article 3(b)(iii)</i> 9. Does a third company directly own at least 25% of the issued share capital and/or voting rights both in the company that is making this claim and in the UK company that is paying the interest or royalty? If "Yes", give on a separate sheet the full name and registered address of that company.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>10. On what date does the accounting period (of the applicant/claimant) end each year? If, exceptionally, a different year end date applies to the income shown (if any) in Part D of this form, give full details on a separate sheet. Attach a separate sheet if you need more room.</p>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>

Part C Application for relief at source from UK income tax See *Guidance Note 7*

- Complete Part **C1**, **C2**, **C3** or **C4** as appropriate, to apply on behalf of the company or permanent establishment-for relief at source from UK income tax.
- If the company or permanent establishment has already received payments of the income with **UK income tax deducted**, please also complete **Part D** to claim repayment of the tax.

Part C1 Interest from loans See *Guidance Note 8*

Complete the columns below, giving the information requested.

Name and address of the UK payer of the interest	Date of the loan agreement*	Amount of the loan	Due date(s) of the interest

What is the name and reference number of the UK tax office dealing with the company that is paying the interest?

Please attach a copy of the loan agreement(s).

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Part C2 Royalties See *Guidance Note 9*

Complete the columns below as appropriate, giving the information requested.

Name and address of the UK payer of the royalties	Date of the licence agreement	Due date(s) (if any) of payment of the royalties

What is the name and reference number of the UK tax office dealing with the company that is paying the royalties?

Please attach a copy of the licence agreement(s) between the UK company and the company that is making this claim.

(‘✓’ as appropriate)

Is the claimant/applicant the originator of the work or product that has been licensed to the UK payer? (See <i>Guidance Note 8</i>) If ‘No’ , please attach a copy of the licence, contract or assignment under which the rights sub-licensed to the UK payer have been acquired from the originator.	Yes <input type="checkbox"/> No <input type="checkbox"/>
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Part D Claim for repayment (where appropriate)

- If the company or permanent establishment has already received payments of income with UK tax deducted, please give details below to claim repayment under the EU Directive on payments of Interest and Royalties between associated companies. Remember to attach the **original** tax deduction certificate for each item that you show. See *Guidance Note 10*.
- If payments of the income have not yet been made, go direct to the Declaration in **Part E**.

Source of income <i>For example 'Copyright royalties paid by [name of payer]'</i>	Date of payment of income	Amount of income before UK tax £		Amount of UK tax deducted £	
Totals					

Part E Declaration (complete this section in all cases)

The company or permanent establishment is beneficially entitled to the income from the source(s) included in this form.

The information I have given in this application/claim is correct and complete to the best of my knowledge and belief.

On behalf of the company or permanent establishment
 "as appropriate"

I apply for relief at source from UK income tax and undertake to tell Inland Revenue Centre for Non-Residents if there is any change to the information that I have given on this form. (See Guidance Note 7)

I claim repayment of £
(Enter the total amount of UK income tax from Part D)

Signature **Date**

Print name here and say in what capacity you are signing.

If you claim repayment of UK tax, give details below.

Please make the repayment
 'as appropriate)

direct to the company/permanent establishment

to our bank/agent/or other person *(enter their name and full postal address below)*.

Account/reference number:

For official use by the United Kingdom Inland Revenue

Examined _____

Authorised _____

Amount repaid:

£ _____ :

CNR Date stamp

Guidance Notes for form EU Interest & Royalties

- Use these Notes to help you complete form EU Interest & Royalties. If you need further information, please contact **Inland Revenue – Centre for Non-Residents**. Our address, telephone and fax numbers are in Note 11.

1. Purpose of form EU Interest & Royalties

Form EU Interest & Royalties enables

- a company that is resident for tax purposes in another Member State of the European Union
- a permanent establishment in a Member State of the European Union of a company that is resident for tax purposes in another Member State of the European Union

that is receiving interest or royalties arising in the United Kingdom to apply for relief at source from UK income tax under the EU Directive on the payment of Interest and royalties that are paid between associated companies. The form also provides for a claim to repayment of UK income tax in cases where payments of the income have been made with UK tax deducted.

The term "permanent establishment" is defined at Article 3(c) of the Directive as "a fixed place of business situated in a Member State through which the business of a company of another Member State is wholly or partly carried on."

2. Who can sign the declaration on the form

A responsible officer of the company or permanent establishment should sign the declaration. An agent (e.g. tax adviser), or other duly authorised person acting with the authority of the applicant/claimant may sign on their behalf.

3. Which business concerns qualify to claim the benefits of the EU Directive

Only certain business types qualify for exemption from tax under the terms of the Directive. These companies are specified in the **Annex to the Directive**:

List of companies covered by Article 3(a) of the Directive

- (a) companies under **Belgian** law known as naamloze vennootschap/société anonyme, commanditaire vennootschap op aandelen/société en commandite par actions, besloten vennootschap met beperkte aansprakelijkheid/société privée à responsabilité limitée and those public law bodies that operate under private law;
- (b) companies under **Danish** law known as aktieselskab and anpartsselskab;
- (c) companies under **German** law known as Aktiengesellschaft, Kommanditgesellschaft auf Aktien, Gesellschaft mit beschränkter Haftung and bergrechtliche Gewerkschaft;
- (d) companies under **Greek** law known as ανώνυμη εταιρεία;
- (e) companies under **Spanish** law known as sociedad anónima, sociedad comanditaria por acciones, sociedad de responsabilidad limitada and those public law bodies which operate under private law;
- (f) companies under **French** law known as société anonyme, société en commandite par actions, société à responsabilité limitée and industrial and commercial public establishments and undertakings;
- (g) companies in **Irish** law known as public companies limited by shares or by guarantee, private companies limited by shares or by guarantee, bodies registered under the Industrial and Provident Societies Acts or building societies registered under the Building Societies Acts;
- (h) companies under **Italian** law known as società per azioni, società in accomandita per azioni, società a responsabilità limitata and public and private entities carrying on industrial and commercial activities;
- (i) companies under **Luxembourg** law known as société anonyme, société en commandite par actions and société à responsabilité limitée;

- (j) companies under **Dutch** law known as naamloze vennootschap andbesloten vennootschap met beperkte aansprakelijkheid;
- (k) companies under **Austrian** law known as Aktiengesellschaft and Gesellschaft mit beschränkter Haftung;
- (l) commercial companies or civil law companies having a commercial form, cooperatives and public undertakings incorporated in accordance with **Portuguese** law;
- (m) companies under **Finnish** law known as osakeyhtiö/aktiebolag, osuuskunta/andelslag, säästöpankki/sparbank and vakuutusyhtiö/försäkringsbolag;
- (n) companies under **Swedish** law known as aktiebolag and försäkringsaktiebolag;

4. What taxes must the company or permanent establishment that is claiming exemption be subject to in a Member State

To qualify for exemption from UK tax under the terms of the Directive a **company** making an application/claim must be subject to one of the following taxes without being exempt (or to a tax that is identical or substantially similar and which is imposed after the date of entry into force of the Directive) that are identified in **Article 3(a)(iii)** of the Directive:

- impôt des sociétés/vennootschapsbelasting in **Belgium**
- selskabsskat in **Denmark**
- Körperschaftsteuer in **Germany**
- Φόρος εισοδήματος νομικών προσώπων in **Greece**
- impuesto sobre sociedades in **Spain**
- impôt sur les sociétés in **France**
- corporation tax in **Ireland**
- imposta sul reddito delle persone giuridiche in **Italy**
- impôt sur le revenu des collectivités in **Luxembourg**
- vennootschapsbelasting in the **Netherlands**
- Körperschaftsteuer in **Austria**
- imposto sobre o rendimento da pessoas colectivas in **Portugal**
- yhteisöjen tulovero/inkomstskatten för samfund in **Finland**
- statlig inkomstskatt in **Sweden**

To qualify for exemption from UK tax under the terms of the Directive a **permanent establishment** making an application/claim must, under **Article 1(5)(b)**, “insofar as the payments of the interest or royalties represent income in respect of which it [*the permanent establishment*] is subject in the Member State in which it is situated be subject to one of the taxes mentioned in Article 3(a)(iii) or in the case of **Belgium** to the impôt des non-résidents/belasting der niet-verblijfhouders or in the case of **Spain** to the Impuesto sobre la Renta de no Residentes or to a tax which is identical or substantially similar and which is imposed after the date of entry into force of this Directive in addition to, or in place of, those existing taxes.”

5. Evidence of residence in a Member State of the European Union and where to send the completed form

It is a condition of relief from UK income tax under the terms of the Directive that the beneficial owner of the income is resident in a Member State of the European Union. The tax authorities of the country in which the company is resident will therefore need to certify that the company or permanent establishment is resident in that country for the purposes of tax.

The appropriate office should certify the form and send it direct to the UK Inland Revenue – Centre for Non-Residents.

6. Confidentiality

All the information that you provide to the Centre for Non-Residents is confidential. We can therefore only discuss the tax affairs of the company or permanent establishment with

- an officer of the company *and/or*
- any agent (e.g. tax adviser) who is nominated by the company or concern.

7. Relief at source from UK income tax on future income payments

Relief at source from UK income tax on future payments of income is available in cases where the Centre for Non-Residents is able to issue a notice to the payer of the interest or royalties.

When relief at source is granted, you are required to tell the Centre for Non-Residents at the address in Note 11, without delay (Article 1(14)), if there is any subsequent change to the information you have given on the form EU Interest & Royalties.

8. UK Interest and Royalties

Where the interest or royalty is payable by a UK resident company, the Centre for Non-Residents routinely asks the UK Tax Office dealing with the tax affairs of the payer of the interest for a report. We can do this **before** we receive the certified form EU Interest & Royalty if you send us an advance copy of the completed form EU Interest & Royalty and in the case of

a) Interest

Please attach a copy of the loan agreement(s) *or for*

b) Royalties

Where the company [or permanent establishment] is the originator of a process or design etc please attach a copy of the licence agreement between the company or permanent establishment and the **UK payer** of the royalties.

The EU Directive on payments of Interest & Royalties allows relief only to the **beneficial owner** of the royalties. The beneficial owner is normally the originator of the work or product.

. If the company [or permanent establishment] is **not** the originator of the product giving rise to the royalties but has acquired the rights, please also attach a copy of the licence, contract or assignment under which the UK rights have been acquired.

But please remember that the Centre for Non-Residents cannot finalise matters until we have received a satisfactory certified form.

9. Repayment claims and tax deduction certificates

If you have completed **Part D** of the form EU Interest & Royalties to claim repayment of UK income tax, you **must** attach the **original** UK tax deduction certificate(s) to the completed form. If you do not send the tax certificate(s) the claim will not be valid. The Centre for Non-Residents cannot accept photocopy certificates as evidence for repayment purposes.

10. *Help or further information*

If you need help or further information, please

- write to **Inland Revenue, Centre for Non-Residents, Fitz Roy House, PO Box 46, Nottingham, England NG2 1BD**
- **or** phone the Centre for Non-Residents during UK office hours, Monday to Friday.

Our phone number is

+ 44 115 974 1945 if calling from outside the UK, or **0115 974 1945** if calling from the UK

Our fax number is

+ 44 115 974 1918 from outside the UK, or **0115 974 1918** from the UK.

When contacting us, please quote the company's UK reference number, if it has one (for example 'FD12/A/123456').

Our service commitment to you

The Inland Revenue and Customs & Excise are committed to serving your needs well by

Acting fairly and impartially

We

- treat your affairs in strict confidence, within the law
- want you to pay or receive only the right amount due.

Communicating effectively with you

We aim to provide

- clear and simple forms and guidance
- accurate and complete information in a helpful and appropriate way.

Providing good quality service

We aim to

- handle your affairs promptly and accurately
- be accessible in ways that are convenient to you
- keep your costs to the minimum necessary
- take reasonable steps to meet special needs
- be courteous and professional.

Taking responsibility for our service

- We publish annually our customer service aims and achievements.
- If you wish to comment, or make a complaint, we want to hear from you so we can improve our service. We advise you how to do this.

We can provide better service if you help us by

- keeping accurate and up to date records
- letting us know if your personal/business circumstances change
- giving us correct and complete information when we ask for it
- paying on time what you should pay.

Further information on customer service is available at Inland Revenue and Customs and Excise local offices, set out in our Charters, complaints leaflets (IR120 and Notice 1000) and Codes of Practice.

These notes are for guidance only and reflect the UK tax position at the time of writing. They do not affect any rights of appeal.