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**Foreign Entertainers Unit**  
Group Leader: **Steve Robinson**

Date :  
Our ref : SCO7/489/F46/SRR  
Your ref :

**NEWSLETTER 8**

Dear Sir or Madam,

This letter is the latest in an occasional series of Newsletters giving details of items of interest for individuals or firms.

This particular issue is devoted entirely to one subject. For some time now, FEU has been considering the possibility of whether/how the existing reduced tax payment application process could be streamlined without jeopardising either the Revenue's taxation rights towards non-resident entertainers or the Unit's role of ensuring compliance with the specialist withholding tax legislation.

As many of you will be aware, FEU has long operated a concession for middlemen in the field of classical music, whereby payments may flow gross from venues and other payers to approved agents and promoters. We are now proposing something similar (though by no means identical) for participants in all other fields of music.

The essential features of the scheme will be as follows;

1. All UK promoters and merchandisers would be eligible to join the scheme, subject to prior approval by FEU. (Approval might need to be withheld or withdrawn in the event of a poor record of compliance with the withholding tax legislation).
2. Any participating promoter/merchandiser would be required to sign an agreement to the basic terms of the scheme (see samples attached).
3. Once approved, payments could flow gross from venues and concessionaires to approved promoters and merchandisers without the need for any middleman application to be made.
4. The names of all participating promoters and merchandisers would be included on a list which would be available on the Inland Revenues Internet site for venues/concessionaires to verify whether gross

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payment is authorised.

5. In addition each approved promoter and merchandiser will be issued with a certificate as proof of membership of the scheme. The certificate will have an expiry date and will be renewed at FEU's discretion.
6. Some joint promotions would need to be excluded from the scheme (since agreements would be with and conditions would apply to each individual promoter). However, even in the case of a joint promotion, if a particular venue is paying 100% of all anticipated payments to one promoter, there is no reason why the scheme should not apply – all other conditions being satisfied.

We hope that you will see the potential benefits of this scheme for all interested parties. Essentially, it should reduce compliance costs and save time and effort for;-

- ◆ Venues and concessionaires (who should not need to verify whether a clearance has been given)
- ◆ Approved promoters and merchandisers (who will not need to make middlemen applications to FEU)
- ◆ The Unit (who will not need to process middlemen applications from approved promoters and merchandisers, nor to issue Nil FEU 4 clearances to venues/concessionaires)

We therefore invite applications from all interested UK promoters and merchandisers who would like to join the proposed scheme. Although there is no specific time limit as such (since the scheme will be ongoing) we would appreciate an early response (say by 30 November) to get the scheme off the ground and to make any initial list of approved promoters and merchandisers as comprehensive and worthwhile as possible.

Yours faithfully

**S R ROBINSON**  
**Group Leader**