

GUERNSEY STATUTORY INSTRUMENT2008 No. 52**The Income Tax (Loans to Participators)  
(Exemptions) (No. 2) Regulations, 2008**

<i>Made</i>	<i>14th October, 2008</i>
<i>Coming into operation</i>	<i>28th November, 2008</i>
<i>Laid before the States</i>	<i>28th November, 2008</i>

**THE TREASURY AND RESOURCES DEPARTMENT**, in exercise of the powers conferred upon it by section 66A(4)(d) of the Income Tax (Guernsey) Law, 1975, as amended<sup>1</sup> ("**the Law**"), and all other powers enabling it in that behalf, hereby makes the following regulations:-

**Status of tax paid by company under section 81B of Law.**

1. (1) The amount of any tax actually deducted by a company in accordance with section 81B of the Law from a distribution of any of its undistributed income is not a qualifying loan for the purposes of section 66A of the Law and therefore tax is not deductible and payable by the company on that amount in accordance with section 81B.

(2) Paragraph (1) does not apply to amounts which, under section 81B(9)

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<sup>1</sup> Ordres en Conseil Vol. XXV, p.124; Vol. XXVI, pp. 146,200 and 292; Vol. XXVII, pp. 84, 118, 200, 333 and 565; Vol. XXVIII, pp. 184, 278, 353 and 409; Vol. XXIX, p.214; Vol. XXXI, pp. 406 and 473; Vol. XXXII, p. 307; No. IV of 1991; No. VI of 1992; No's IV and VIII of 1993; No. XXV of 1994; No's III and VII of 1995; No. V of 1996; No's IV and XXII of 1997; No. II of 1999; No. IV of 2000; No's. VI and XVII of 2001; No. VII of 2002; No's. IV, XVIII and XXVI of 2003; No's. XII and XVI of 2004; No's. V, VI and XVII of 2005; No's. II and VII of 2006; No. XXI of 2007; the Income Tax (Zero 10) (Guernsey) Law, 2007; and the Income Tax (Zero 10) (Guernsey) (No. 2) Law, 2007. Also amended by the Machinery of Government (Transfer of Functions) (Guernsey) Ordinance, 2003 (No. XXXIII). Section 66A was inserted by the Income Tax (Zero 10) (Guernsey) (No. 2) Law, 2007.

of the Law, are deemed to be tax deducted in accordance with section 81B(2).

**Interpretation.**

2. (1) In these Regulations "**the Law**" means the Income Tax (Guernsey) Law, 1975, as amended.

(2) The Interpretation (Guernsey) Law, 1948 applies to the interpretation of these Regulations as it applies to the interpretation of an enactment.

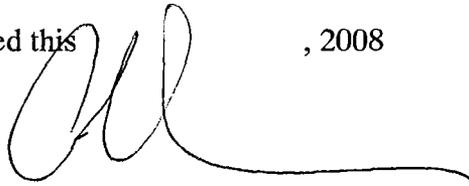
**Citation.**

3. These Regulations may be cited as the Income Tax (Loans to Participators) (Exemptions) (No. 2) Regulations, 2008.

**Commencement.**

4. These Regulations shall come into force on the \_\_\_\_\_, 2008.

Dated this \_\_\_\_\_, 2008



DEPUTY C.N.K. PARKINSON

Minister of the Treasury and Resources Department

For and on behalf of the Department

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EXPLANATORY NOTE

*(This note is not part of the regulations)*

These Regulations provide that tax deducted by a company in accordance with section 81B of the Income Tax (Guernsey) Law, 1975, as amended by the Income Tax (Zero 10) (Guernsey) Law, 2007 and the Income Tax (Zero 10) (Guernsey) (No. 2) Law, 2007, from a distribution of its undistributed income is not a qualifying loan. Accordingly, tax is not deductible and payable on the amount under that section.