Interest Withholding Tax



Non-Resident Declaration for the purposes of Section 246 TCA 1997

Declaration to be completed by a Non-Resident Person

1.	To be complete	ed by the No	on-Resident Pers	son		
Name	e of person:					
Addre	ess of person:					
Tax re	eference number	in country of	residence (where	e relevant)		
A.	I declare that I a	am -				
	o not reside	ent for the pu	urposes of tax in I	reland,		
		d through a br	ranch or agency,	and	r business which is being ountry) which is a "relevant	
В.						aly
٥.					mpese a tax en interest / i	,
	tax at a rate not	• • •			delete as appropriate] ² .	Проссс
C					yment being made by	
O .	Interactive Broke				yment being made by name of person making the	e interest
			h this declaration	→ `	idilie of person making an	5 milorook
D.	. I declare that I	am entitled to		Double Tax	xation Agreement (referred	d to in B.)
E,	. I undertake tha	t in the event	that there is any	change in	my circumstances I will in	form, by
	written notice,		ters Ireland Limited	(insert n	name of person making the	e interest
	payment) imme	ediately.		_		
Signa	ture of person:			Da	Pate: DDMMYY	YY
Capad	city of signatory [
•	are attaching a (x authorities plea		-	6166] in lie	eu of having this form cert	ified by the
2.	To be complete	ed by the No	on-Resident's Tax	x Authority	у	
I certif	fy that the above	named perso	on is a resident of	f Italy		
(inser	t name of countr	y) for the purp	poses of the relev	/ant Double	e Tax Agreement.	
The re	elevant tax refere	ence number	is			
Siane	·d·		Date:	MVVV		

¹Refer to note 2.

²Refer to note 4.

³The person making the interest payment should refer to Note 5 before making the interest payment.

⁴Refer to note 6.

Notes

The purpose of this declaration is to provide that the reliefs of the Interest Article of Ireland's Double Taxation Agreements can be granted automatically without recourse to the Revenue Commissioners.

1. Conditions for Self-Certification to apply

This form should be completed if:

- 1. Absent the self-certification, the payment would be subject to withholding under section 246(2) TCA 1997 and the person to whom the payment is being made is not entitled to an exemption from withholding tax under any of the provisions of section 246(3) TCA 1997.
- 2. The person to whom the interest is paid is the beneficial owner of the interest.
- 3. The person to whom the interest is paid is not resident in Ireland and the interest is not being paid in connection with a trade or business which is being carried on in Ireland through a branch or agency.
- 4. The person to whom the interest is paid is treated as a person (that is to say opaque rather than transparent)
 - a. for Irish tax purposes and for the purposes of tax imposed by the treaty partner, or
 - b. under the DTA.
- 5. Under the relevant DTA, that person is treated as a resident only of the treaty partner.
- 6. The DTA rate provided for under the Interest Article of the DTA that will apply on payments of interest to residents of the treaty partner is lower than 20%.
- 7. The payee is entitled to relief under the DTA in respect of the interest payment, such that any tax withheld would be fully, or partially, refundable.

2. Relevant Territory

A "relevant territory" for the purposes of section 246 TCA 1997 is defined as:

- a country (other than Ireland) which is a member of the European Union,
- a country with which Ireland has a Double Taxation Agreement, or
- a country with which Ireland has entered into a Double Taxation Agreement which has not yet been ratified.

3. Double Taxation Treaties

For up-to-date information on the countries with which Ireland has a Double Taxation Agreement please refer to the Revenue website at: https://www.revenue.ie/en/tax-professionals/tax-agreements/index.aspx

4. Interest Article

The interest Article of Ireland's Double Taxation Agreements is used to determine if tax payable in Ireland can be relieved in respect of interest payments being made.

For example, the Interest Article [Article 12] of the Double Taxation Agreement between Ireland and Sweden provides as follows:

"1. Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if such resident is the beneficial owner of the interest."

Accordingly, in the case of interest payments being made to a person beneficially entitled to the interest payment who is resident in Sweden, no tax is to be charged or deducted on the interest payment in Ireland. As such the interest can be paid gross [i.e. without the deduction of withholding tax as required under section 246(2) TCA 1997] to the payee.

While the Interest Article [Article 11] of the Double Taxation Agreement between Ireland and Belgium provides as follows:

- "1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
- 2. Such interest may also be taxed in the Contracting State in which it arises, and according to the law of that State. However, the tax so charged shall not exceed 15 per cent of the amount of the interest."

Accordingly, in the case of interest payments being made to a person beneficially entitled to the interest payment who is resident in Belgium, the interest is charged to Irish tax at the reduced rate of 15%. As such, the interest payment can be made to the payee subject to a withholding tax at the rate of 15 percent [rather than withholding tax at the rate of 20% as required under the provisions of section 246(2) TCA 1997].

5. Person making the interest payment

In advance of making the interest payment either without the deduction of withholding tax or at a reduced rate of withholding tax the person making the interest payment should refer to Tax and Duty Manual 08-03-06 https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-08/08-03-06.pdf to ensure that all the conditions pertaining to the interest payment have been satisfied.

6. Residents of the United States of America

Revenue acknowledge that residents of the United States of America may encounter difficulties having the Form 08-03-06 Interest Payments certified by the US tax authorities therefore Revenue will consider a certificate of residence for United States tax purposes (Form 6166) acceptable in lieu of having the Form 08-03-06 Interest Payments certified by the US tax authorities.

The Form 6166 and fully completed uncertified Form 08-03-06 Interest Payments should be given to the person making the interest payments.

A Form 6166 is available from The Department Of The Treasury, Internal Revenue Service, Philadelphia, PA 19255, USA.

Please go to www.irs.gov to apply for Form 6166.

The Revenue Commissioners collect taxes and duties and implement customs controls. Revenue requires customers to provide certain personal data for these purposes and certain other statutory functions as assigned by the Oireachtas. Your personal data may be exchanged with other Government Departments and agencies in certain circumstances where this is provided for by law. Full details of Revenue's data protection policy setting out how we will use your personal data as well as information regarding your rights as a data subject are available on our **Privacy** page on **www.revenue.ie**. Details of this policy are also available in hard copy upon request.

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

