

THE OFFSHORE TAXATION REVIEW

EDITORIAL BOARD

Robert Venables QC (Consulting Editor)
Amanda Hardy, Barrister (Managing Editor)
Roger Madsen, Solicitor (Assistant Editor)

Stephen Allcock QC
Richard Bramwell QC
Stephen Brandon QC
David Ewart
Michael Flesch QC
Milton Grundy
Professor David Hayton LL.D.
Launcelot Henderson QC
Harvey McGregor QC, DCL
Kevin Prosser QC
Andrew Thornhill QC
Professor John Tiley

**All editorial correspondence should be addressed to
The Managing Editor, Amanda Hardy, 24 Old Buildings,
Lincoln's Inn, London WC2A 3UP
Telephone (0171) 242 2744
Facsimile (0171) 831 8095**

**The Offshore Taxation Review
(formerly The Offshore Tax Planning Review)**
is published by
Key Haven Publications PLC
7 Crescent Stables, 139 Upper Richmond Road
London SW15 2TN
Telephone (0181) 780 2522, Facsimile (0181) 780 1693

DISCLAIMER

The views contained herein are put forward for further consideration only and are not to be acted upon without independent and professional advice.

Neither the Publishers nor the Authors or Contributors can accept any responsibility for any loss occasioned to any person no matter howsoever caused or arising as a result of or in consequence of action taken or refrained from in reliance on the contents hereof.

© 1998 KEY HAVEN PUBLICATIONS PLC

Conditions of Sale

All rights strictly reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher.

Any person infringing the publisher's copyright will be liable to criminal and/or civil proceedings.

Printed in England by Printhaüs

CONTENTS

	Page No
From the Editors	v
Finance Act 1998 Section 130: Avoiding Mr Robinson's Section Stephen Brandon QC	75
Coupe De Monde Half Time: Jersey 1 - Guernsey 0 Dr Raymond Ashton	80
The Taxation of Electronic Commerce Derek Jenkins	90
IHT: UK As A Tax Haven for Individuals Domiciled Abroad Ralph P Ray	102
The Abolition of ACT Howard Nowlan	106
The Source of Interest: A Practical, Hard Matter of Fact Geoffrey Simpson FCA, FTII, TEP	114
Capital Gains Tax - Non-Resident Trusts - Restrictions and Scopes: An Outline Summary Ralph P Ray	120
The European Commission's Proposal for A Directive on Taxation of Savings Income Mark Robson	123
Capital Payments to Charities From Offshore Trusts Robert Venables QC	133

EDITORIAL

In this Issue, *Stephen Brandon QC* considers the implications of Finance Act 1998, section 130, the so-called “Robinson” section and suggests some interesting solutions to the difficulties caused by amendments to section 87 TCGA 1992.

On a similar theme, *Ralph Ray* outlines the current capital gains tax position for non-resident trusts in the light of the Finance Act 1998 changes, a topic which will also be considered by the Consulting Editor in the next issue. *Ralph Ray* also discusses the UK as a tax haven for non-domiciled individuals and the traps to be guarded against by non-domiciled individuals.

Geoffrey Simpson takes issue with Alexander Thornton’s article in Issue 2 of Volume 6 of this *Review* on the source of interest payments, concluding that no one element would seem to be particularly decisive in determining the source of interest payments.

Raymond Ashton provides an interesting insight into the recent case of *Lutea Trustees v Orbis Trustees Guernsey Limited* which concerned the topical question of the scope of indemnity clauses, particularly with regard to the position of a retiring trustee.

The Consulting Editor updates his previous articles on capital payments to charities from offshore trusts, providing details of the altered Revenue practice in this area, together with a useful analysis of its terms and limitations.

Derek Jenkins considers the application of traditional fiscal concepts in the new world of electronic commerce, particularly where the Internet is used to deliver a product or service. *Howard Nolan* reflects on the future planning which the abolition of advanced corporation tax will make possible, including the filtering of highly taxed foreign income through United Kingdom companies. *Mark Robson* deals with the potential issues if the Council enacts the draft Directive on Taxation of Savings Income.

The Editors welcome contributions. The Editors particularly welcome debate on points raised in articles appearing in the *Review* (or indeed other Reviews and Journals). All articles (whether long or short), ideas for articles, and other correspondence on editorial matters should be addressed to: Amanda Hardy, Managing Editor, Offshore Taxation Review, 24 Old Buildings, Lincoln's Inn, London WC2A 3UP.

Robert Venables QC

Amanda Hardy

October 1998