



Interpretations, Rulings & Opinions Committee Paper
I.R.O.C Paper (Volume 9\10, Issue 1, 2002, September)

Re: TREATMENT OF INVESTMENT INCOME

Issues:

Recently much concern has been expressed as to the treatment of Investment Income.

Definition:

"Investment Income" means income which would be the chargeable income of a body corporate if there were left out of account receipts and deductions so far as they entered into the computation of its trading and estate income.

Solutions:

The expenses of management other than audit fees, allowable in computing Income Tax on investment income are limited to 10% of chargeable income. In arriving at the 10% expenses which are allowed, exempt income must not be included

However dividends income paid by companies listed on Jamaica Stock Exchange as at April 2002, tax to be changed is nil therefore this income would not be considered as a exempt income as it is taxable at Nil rate.