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FACTS

M, (“the Foundation”) was set up under the Foundations Act 2012. The business and affairs of the Foundation shall be managed by a board of councillors (the “Foundation Council”) which consist of the following councillors:

1. Mr. N, a Swiss citizen (resident for tax purpose as per section 73(1) of the Income Tax Act);
2. Mr. B, a French citizen (resident for tax purpose as per section 73(1) of the Income Tax Act);
3. Mr. V, a Swiss citizen (not resident for tax purpose).

The Foundation intends to pay its councillors a gross annual remuneration of:

- | | | |
|----------|---|-------------|
| 1. Mr. N | - | Euro 35,000 |
| 2. Mr. B | - | Euro 5,000 |
| 3. Mr. V | - | Euro 50,000 |

The councillors will perform duties similar to those of a director.

POINT AT ISSUE

Whether PAYE is applicable on the remuneration payable to the council members?

RULING

On the basis of facts mentioned above, it is confirmed that as the councillors will perform duties similar to those of a director, PAYE is applicable at 15% on the remuneration payable to the council members by virtue of section 96(3) of the Income Tax Act.