Draft Order in Council laid before the House of Commons under section 5(2) of the Taxation (International and Other Provisions) Act 2010 and section 173(7) of the Finance Act 2006, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2022 No. 0000

CAPITAL GAINS TAX CORPORATION TAX INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Luxembourg) Order 2022

Made - - -

At ***, the *** day of *** 2022 Present, The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010(1) and section 173(7) of the Finance Act 2006(2) and approved by resolution of that House.

Accordingly, Her Majesty, in exercising the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010 and section 173(1) to (3) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Luxembourg) Order 2022.

Double taxation and international tax enforcement arrangements to have effect

2. It is declared that—

^{(1) 2010} c. 8.

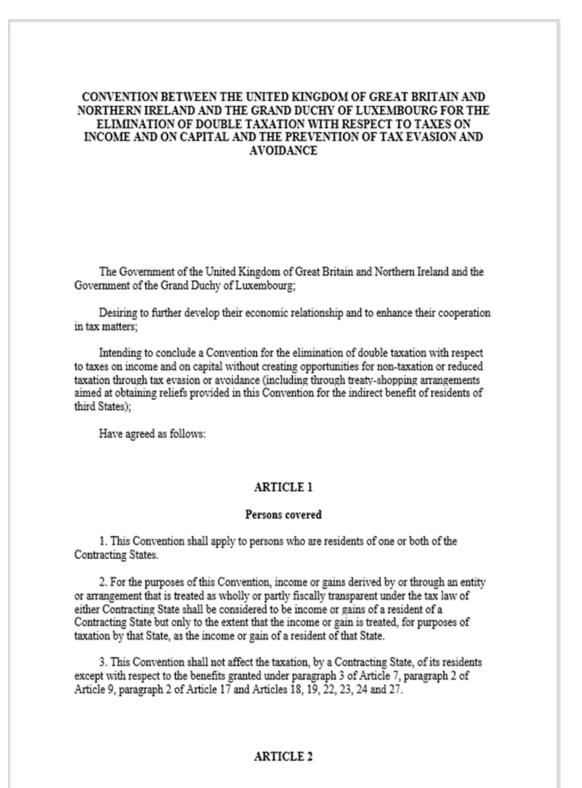
⁽**2**) 2006 c. 25.

- (a) the arrangements specified in the Convention and Protocol set out in the Schedule to this Order, have been made with the Grand Duchy of Luxembourg;
- (b) those arrangements have been made with a view to affording relief from double taxation in relation to capital gains tax, corporation tax, income tax and taxes of a similar character imposed by the laws of the Grand Duchy of Luxembourg, and relate to international tax enforcement; and
- (c) it is expedient that those arrangements should have effect.

Name Clerk of the Privy Council

SCHEDULE

Article 2



3

 This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.

 There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property.

3. The existing taxes to which the Convention shall apply are in particular:

- a) in the United Kingdom:
 - the income tax;
 - (ii) the corporation tax; and
 - (iii) the capital gains tax

(hereinafter referred to as "United Kingdom tax");

- b) in Luxembourg:
 - the income tax on individuals (l'impôt sur le revenu des personnes physiques);
 - (ii) the corporation tax (l'impôt sur le revenu des collectivités);
 - (iii) the capital tax (l'impôt sur la fortune); and
 - (iv) the communal trade tax (l'impôt commercial communal)

(hereinafter referred to as "Luxembourg tax").

4. The Convention shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their taxation laws.

ARTICLE 3

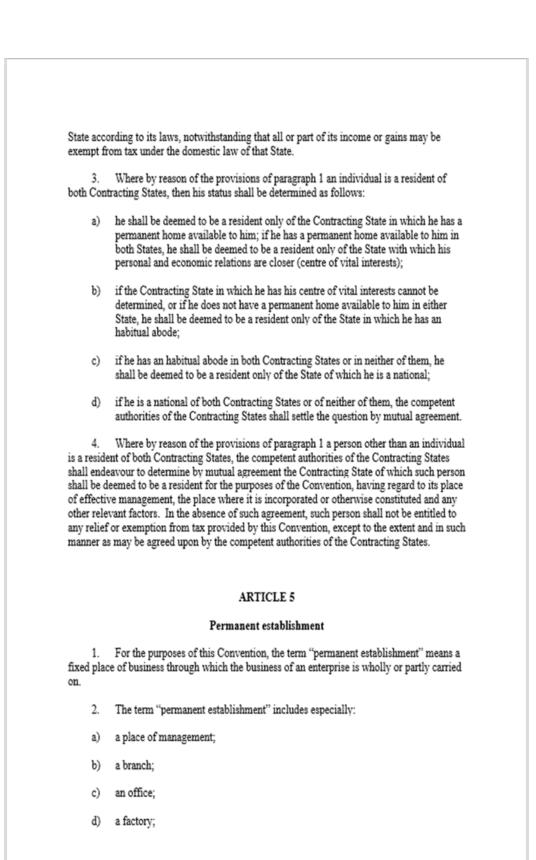
General definitions

1. For the purposes of this Convention, unless the context otherwise requires:

a)	the term "United Kingdom" means Great Britain and Northern Ireland but, when used in a geographical sense, means the territory and territorial sea of Great Britain and Northern Ireland and the areas beyond that territorial sea over which Great Britain and Northern Ireland exercise sovereign rights or jurisdiction in accordance with their domestic law and international law;
b)	the term "Luxembourg" means the Grand Duchy of Luxembourg and, when used in a geographical sense, means the territory of the Grand Duchy of Luxembourg;
c)	the terms "a Contracting State" and "the other Contracting State" mean the United Kingdom or Luxembourg, as the context requires;
d)	the term "person" includes an individual, a company and any other body of persons;
e)	the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
f)	the term "enterprise" applies to the carrying on of any business;
g)	the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
h)	the term "international traffic" means any transport by a ship or aircraft, except when the ship or aircraft is operated solely between places in a Contracting State and the enterprise that operates the ship or aircraft is not an enterprise of that State;
i)	the term "competent authority" means:
	 in the United Kingdom, the Commissioners for Her Majesty's Revenue and Customs or their authorised representative;
	 (ii) in Luxembourg, the Minister of Finance or his authorised representative;
j)	the term "national" means:
	(i) in relation to the United Kingdom, any British citizen, or any British subject not possessing the citizenship of any other Commonwealth country or territory, provided he has the right of abode in the United Kingdom; and any legal person, partnership or association deriving its status as such from the laws in force in the United Kingdom;
	(ii) in relation to Luxembourg,
	 (a) any individual possessing the nationality of Luxembourg; (b) any legal person, partnership or association deriving its status as such from the laws in force in Luxembourg;
	- 3 -

k)	the term "business" includes the performance of professional services and of other activities of an independent character;	
l)	the term "recognised pension fund" of a State means an entity or arrangement established in that State that is treated as a separate person under the taxation laws of that State and:	
	 that is established and operated exclusively or almost exclusively to administer or provide retirement benefits and ancillary or incidental benefits to individuals and that is regulated as such by that State or one of its political subdivisions or local authorities; or 	
	 that is established and operated exclusively or almost exclusively to invest funds for the benefit of entities or arrangements referred to in subdivision (i). 	
	Where an arrangement established in a Contracting State would constitute a recognised pension fund under subdivision (i) or (ii) if it were treated as a separate person under the taxation law of that State, it shall be considered, for the purposes of this Convention, as a separate person treated as such under the taxation law of that State and all the assets, income and gains to which the arrangement applies shall be treated as assets held and income or gains derived by that separate person and not by another person.	
authoritie meaning t which this	As regards the application of the Convention at any time by a Contracting State, not defined therein shall, unless the context otherwise requires or the competent s agree to a different meaning pursuant to the provisions of Article 24, have the that it has at that time under the law of that State for the purposes of the taxes to s Convention applies, any meaning under the applicable tax laws of that State g over a meaning given to the term under other laws of that State.	
	ARTICLE 4	
	Resident	
domicile, any other subdivisio term, how	For the purposes of this Convention, the term "resident of a Contracting State" y person who, under the laws of that State, is liable to tax therein by reason of his residence, place of management, place of incorporation, place of registered office or criterion of a similar nature, and also includes that State and any political on or local authority thereof, as well as a recognised pension fund of that State. This rever, does not include any person who is liable to tax in that State in respect only of a capital gains from sources in that State or capital situated therein.	
	The term "resident of a Contracting State" includes an organisation that is ed and is operated exclusively for religious, charitable, scientific, cultural or al purposes (or for more than one of those purposes) and that is a resident of that	

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e)	a workshop; and
f)	a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.
3. permanen	A building site, a construction, installation or dredging project constitutes a t establishment only if it lasts more than twelve months.
4. establishn	Notwithstanding the preceding provisions of this Article, the term "permanent nent" shall be deemed not to include:
a)	the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
b)	the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
c)	the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
d)	the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise;
e)	the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
f)	the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.
	Paragraph 4 shall not apply to a fixed place of business that is used or d by an enterprise if the same enterprise or a closely related enterprise carries on ctivities at the same place or at another place in the same Contracting State and
a)	that place or other place constitutes a permanent establishment for the enterprise or the closely related enterprise under the provisions of this Article, or
b)	the overall activity resulting from the combination of the activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, is not of a preparatory or auxiliary character,
the same e	hat the business activities carried on by the two enterprises at the same place, or by enterprise or closely related enterprises at the two places, constitute complementary that are part of a cohesive business operation.
	For the purposes of paragraph 5, an enterprise is closely related to an enterprise if, all the relevant facts and circumstances, one has control of the other or both are control of the same persons or enterprises. In any case, an enterprise shall be
	- 6 -

considered to be closely related to an enterprise if one possesses directly or indirectly more than 50 per cent of the beneficial interest in the other (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person or enterprise possesses directly or indirectly more than 50 per cent of the beneficial interest (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise or in the two enterprises.

7. Notwithstanding the provisions of paragraphs 1 and 2, where a person – other than an agent of an independent status to whom paragraph 8 applies – is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts on behalf of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business (other than a fixed place of business to which paragraph 5 would apply), would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

8. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

9. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

ARTICLE 6

Income from immovable property

 Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

 The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise.

ARTICLE 7

Business profits

 Profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits that are attributable to the permanent establishment in accordance with the provisions of paragraph 2 may be taxed in that other State.

2. For the purposes of this Article and Article 22, the profits that are attributable in each Contracting State to the permanent establishment referred to in paragraph 1 are the profits it might be expected to make, in particular in its dealings with other parts of the enterprise, if it were a separate and independent enterprise engaged in the same or similar activities under the same or similar conditions, taking into account the functions performed, assets used and risks assumed by the enterprise through the permanent establishment and through the other parts of the enterprise.

3. Where, in accordance with paragraph 2, a Contracting State adjusts the profits that are attributable to a permanent establishment of an enterprise of one of the Contracting States and taxes accordingly profits of the enterprise that have been charged to tax in the other State, the other State shall, to the extent necessary to eliminate double taxation on these profits, make an appropriate adjustment to the amount of the tax charged on those profits. In determining such adjustment, the competent authorities of the Contracting States shall if necessary consult each other.

 Where profits include items of income or gains which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

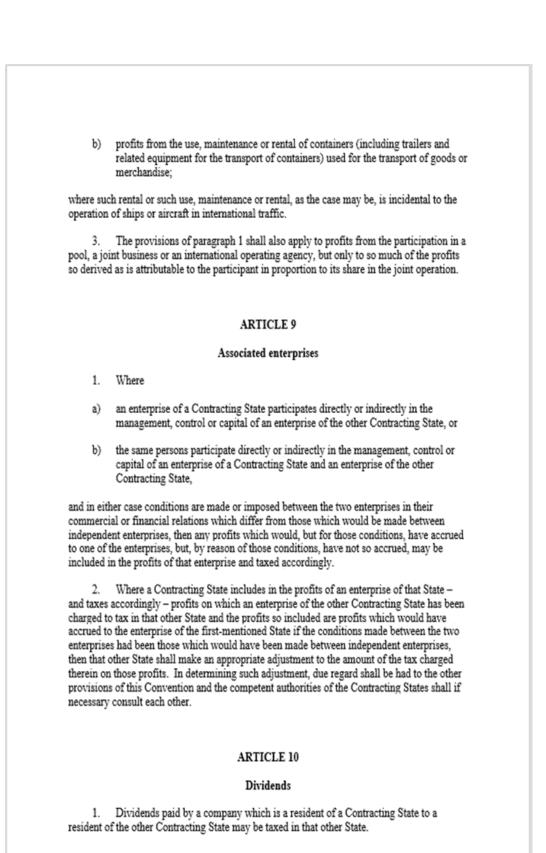
ARTICLE 8

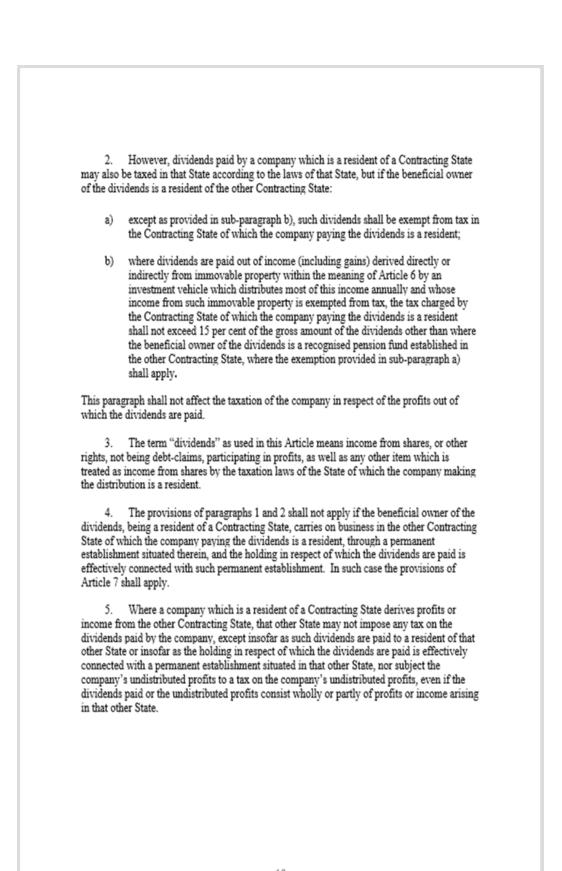
International shipping and air transport

 Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

2. For the purposes of this Article, profits from the operation of ships or aircraft in international traffic include:

a) profits from the rental on a bareboat basis of ships or aircraft; and





Interest

 Interest arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State.

2. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Income which is treated as a dividend under the provisions of Article 10 and penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

3. The provisions of paragraph 1 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest paid exceeds, for whatever reason, the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

ARTICLE 12

Royalties

 Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State.

2. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, any patent, trade mark, design or model, plan, secret formula or process, or for information (know-how) concerning industrial, commercial or scientific experience.

3. The provisions of paragraph 1 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties paid exceeds, for whatever reason, the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

ARTICLE 13

Capital gains

 Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

2. Gains derived by a resident of a Contracting State from the alienation of shares or comparable interests, such as interests in a partnership or trust, deriving more than 50 per cent of their value directly or indirectly from immovable property, as defined in Article 6, situated in the other Contracting State may be taxed in that other State.

3. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise), may be taxed in that other State.

4. Gains that an enterprise of a Contracting State that operates ships or aircraft in international traffic derives from the alienation of such ships or aircraft, or of movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Contracting State.

 Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 4 shall be taxable only in the Contracting State of which the alienator is a resident.

6. Notwithstanding any other provision of this Article, gains derived by a resident of Luxembourg from the alienation of rights to assets to be produced by the exploration or exploitation of the seabed and its sub-soil situated in the United Kingdom, under the authority of a licence granted by the United Kingdom, including rights to interests in or to the benefit of such assets or from the alienation of shares deriving their value or the greater part of their value directly or indirectly from such rights, may be taxed in the United Kingdom.

Income from employment

 Subject to the provisions of Articles 15, 17 and 18, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

 Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

- a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; and
- b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State; and
- c) the remuneration is not borne by a permanent establishment which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a Contracting State in respect of an employment, as a member of the regular complement of a ship or aircraft, that is exercised aboard a ship or aircraft operated in international traffic, other than aboard a ship or aircraft operated solely within the other Contracting State, shall be taxable only in the first-mentioned State. Where, however, the ship or aircraft is operated by an enterprise of the other Contracting State, such remuneration may also be taxed in the other State.

ARTICLE 15

Directors' fees

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.

Entertainers and sportspersons

 Notwithstanding the provisions of Article 14, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsperson, from that resident's personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities exercised by an entertainer or a sportsperson acting as such accrues not to the entertainer or sportsperson but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised.

ARTICLE 17

Pensions

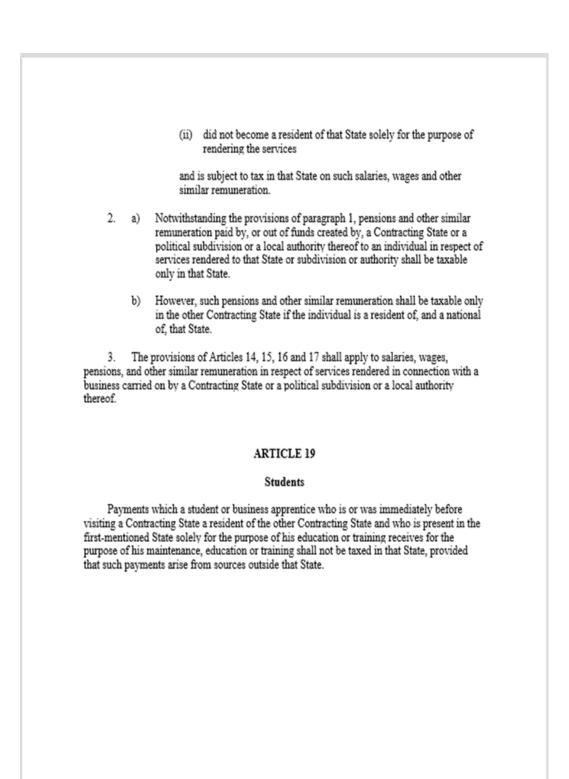
 Subject to the provisions of paragraph 2 of Article 18, pensions and other similar remuneration arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in the first-mentioned State.

2. Notwithstanding the provisions of paragraph 1, pensions and other similar remuneration (including lump-sum payments) arising in Luxembourg and paid to a resident of the United Kingdom shall be taxable only in Luxembourg, provided that such payments derive from contributions paid to or from provisions made under a complementary pension scheme by the recipient or on his behalf and to the extent that these contributions, provisions, or the pensions or other similar remuneration have been subjected to tax in Luxembourg under the ordinary rules of its tax laws.

ARTICLE 18

Government service

- a) Salaries, wages and other similar remuneration paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
 - b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
 - (i) is a national of that State; or



Other income

 Items of income beneficially owned by a resident of a Contracting State, wherever arising, which are not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

2. Notwithstanding the provisions of paragraph 1, where an amount of income is paid to a resident of a Contracting State out of income received by trustees or personal representatives administering the estates of deceased persons and those trustees or personal representatives are residents of the other Contracting State, that amount shall be treated as arising from the same sources, and in the same proportions, as the income received by the trustees or personal representatives out of which that amount is paid.

Any tax paid by the trustees or personal representatives in respect of the income paid to the beneficiary shall be treated as if it had been paid by the beneficiary.

3. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the beneficial owner of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

4. Where, by reason of a special relationship between the resident referred to in paragraph 1 of this Article and some other person, or between both of them and some third person, the amount of the income referred to in that paragraph exceeds the amount (if any) which would have been agreed upon between them in the absence of such a relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such a case, the excess part of the income shall remain taxable according to the laws of each Contracting State, due regard being had to the other applicable provisions of this Convention.

ARTICLE 21

Capital

 Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.

Capital represented by movable property forming part of the business property of a
permanent establishment which an enterprise of a Contracting State has in the other
Contracting State may be taxed in that other State.

3. Capital of an enterprise of a Contracting State that operates ships or aircraft in international traffic represented by such ships or aircraft, and by movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Contracting State.

 All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

ARTICLE 22

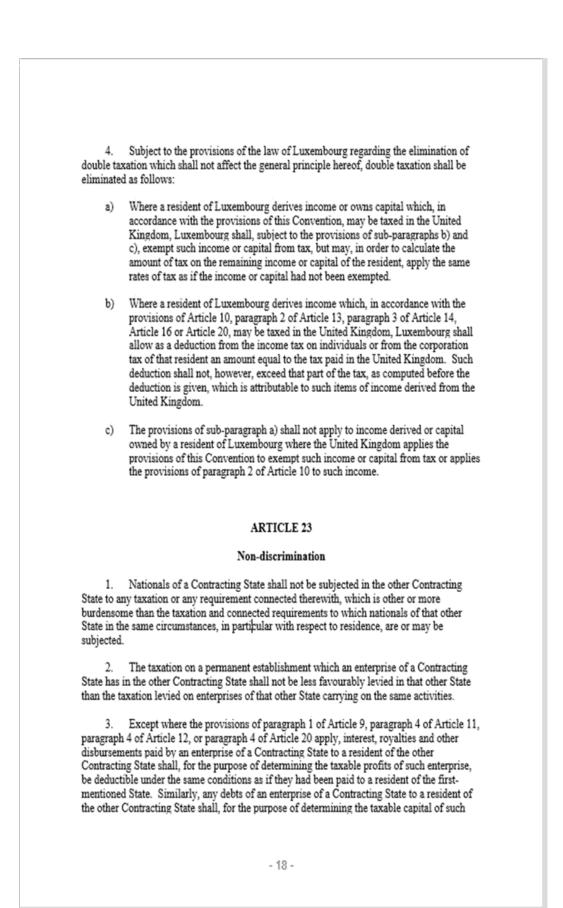
Elimination of double taxation

 Subject to the provisions of the law of the United Kingdom regarding the allowance as a credit against United Kingdom tax of tax payable in a territory outside the United Kingdom or, as the case may be, regarding the exemption from United Kingdom tax of a dividend arising in a territory outside the United Kingdom (which shall not affect the general principle hereof):

- a) Luxembourg tax payable under the laws of Luxembourg and in accordance with this Convention, whether directly or by deduction, on profits, income or chargeable gains from sources within Luxembourg (excluding in the case of a dividend, tax payable in respect of the profits out of which the dividend is paid) shall be allowed as a credit against any United Kingdom tax computed by reference to the same profits, income or chargeable gains by reference to which the Luxembourg tax is computed;
- a dividend which is paid by a company which is a resident of Luxembourg to a company which is a resident of the United Kingdom shall be exempted from United Kingdom tax when the exemption is applicable and the conditions for exemption under the law of the United Kingdom are met;
- c) the profits of a permanent establishment in Luxembourg of a company which is a resident of the United Kingdom shall be exempted from United Kingdom tax when the exemption is applicable and the conditions for exemption under the law of the United Kingdom are met;
- d) in the case of a dividend not exempted from tax under sub-paragraph b) above which is paid by a company which is a resident of Luxembourg to a company which is a resident of the United Kingdom and which controls directly or indirectly at least 10 per cent of the voting power in the company paying the dividend, the credit mentioned in sub-paragraph a) above shall take into account the Luxembourg tax payable by the company in respect of the profits in respect of which such dividend is paid.

 The provisions of paragraph 1 shall not apply where the Luxembourg tax payable is in accordance with the provisions of this Convention solely because the income, profits or chargeable gains referred to in that paragraph is also income derived by a resident of Luxembourg.

 For the purposes of paragraph 1, profits, income and capital gains owned by a resident of the United Kingdom which may be taxed in Luxembourg in accordance with this Convention shall be deemed to arise from sources in Luxembourg.



enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

Nothing contained in this Article shall be construed as obliging either Contracting State to grant to individuals not resident in that State any of the personal allowances, reliefs and reductions for tax purposes which are granted to individuals so resident or to its nationals.

The provisions of this Article shall apply to the taxes which are the subject of this Convention.

ARTICLE 24

Mutual agreement procedure

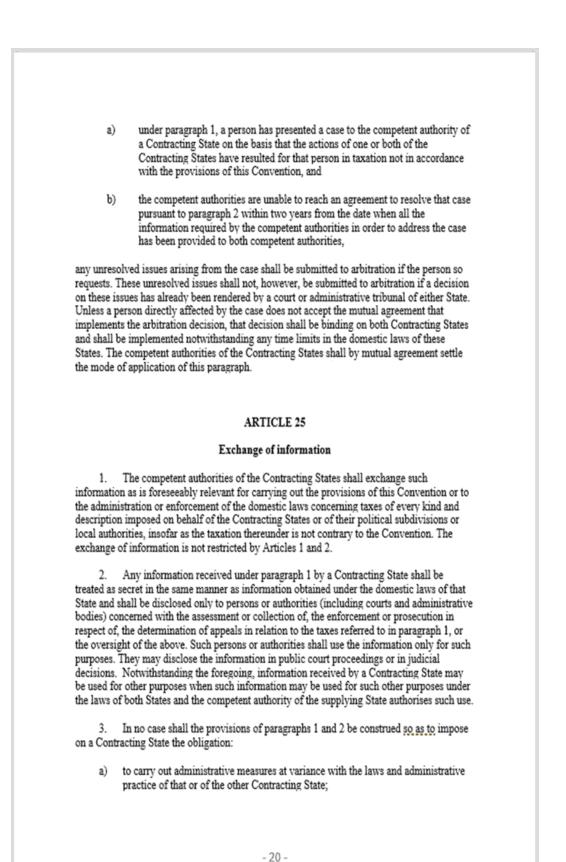
1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of either Contracting State. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

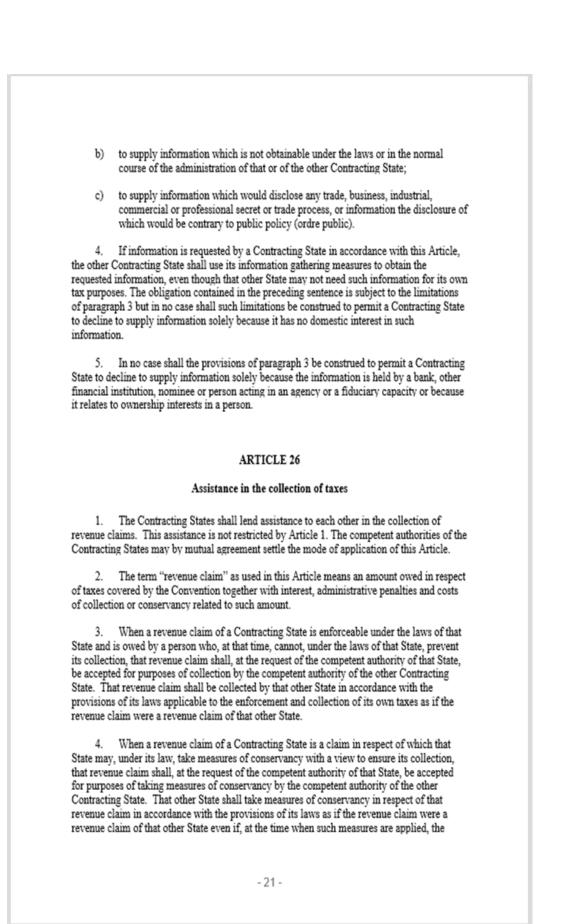
2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Convention. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

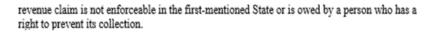
 The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

 The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Where,







5. Notwithstanding the provisions of paragraphs 3 and 4, a revenue claim accepted by a Contracting State for purposes of paragraph 3 or 4 shall not, in that State, be subject to the time limits or accorded any priority applicable to a revenue claim under the laws of that State by reason of its nature as such. In addition, a revenue claim accepted by a Contracting State for the purposes of paragraph 3 or 4 shall not, in that State, have any priority applicable to that revenue claim under the laws of the other Contracting State.

 Proceedings with respect to the existence, validity or the amount of a revenue claim of a Contracting State shall not be brought before the courts or administrative bodies of the other Contracting State.

7. Where, at any time after a request has been made by a Contracting State under paragraph 3 or 4 and before the other Contracting State has collected and remitted the relevant revenue claim to the first-mentioned State, the relevant revenue claim ceases to be:

- a) in the case of a request under paragraph 3, a revenue claim of the first-mentioned State that is enforceable under the laws of that State and is owed by a person who, at that time, cannot, under the laws of that State, prevent its collection, or
- b) in the case of a request under paragraph 4, a revenue claim of the first-mentioned State in respect of which that State may, under its laws, take measures of conservancy with a view to ensure its collection

the competent authority of the first-mentioned State shall promptly notify the competent authority of the other State of that fact and, at the option of the other State, the first-mentioned State shall either suspend or withdraw its request.

 In no case shall the provisions of this Article be construed so as to impose on a Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
- b) to carry out measures which would be contrary to public policy;
- c) to provide assistance if the other Contracting State has not pursued all reasonable measures of collection or conservancy, as the case may be, available under its laws or administrative practice;
- d) to provide assistance in those cases where the administrative burden for that State is clearly disproportionate to the benefit to be derived by the other Contracting State;
- e) to provide assistance if that State considers that the taxes with respect to which assistance is requested are imposed contrary to generally accepted taxation principles.

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Members of diplomatic missions and consular posts

Nothing in this Convention shall affect the fiscal privileges of members of diplomatic or permanent missions or consular posts under the general rules of international law or under the provisions of special agreements.

ARTICLE 28

Entitlement to benefits

1. Notwithstanding the other provisions of this Convention, a benefit under this Convention shall not be granted in respect of an item of income or capital, or a capital gain, if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Convention.

2. Where a benefit under this Convention is denied to a person under paragraph 1, the competent authority of the Contracting State that would otherwise have granted this benefit shall nevertheless treat that person as being entitled to this benefit, or to different benefits with respect to a specific item of income or capital, or a capital gain, if such competent authority, upon request from that person and after consideration of the relevant facts and circumstances, determines that such benefits would have been granted to that person in the absence of the transaction or arrangement referred to in paragraph 1. The competent authority of the Contracting State to which the request has been made will consult with the competent authority of the other State before rejecting a request made under this paragraph by a resident of that other State.

ARTICLE 29

Entry into force

 The Contracting States shall notify each other in writing, through diplomatic channels, that the procedures required by its law for the entry into force of this Convention have been satisfied. This Convention shall enter into force on the date of receipt of the later notification and shall thereupon have effect:

a) in the United Kingdom:

	(i)	in respect of taxes withheld at source, to income derived on or after 1 January of the calendar year next following the year in which this Convention enters into force;
	(ii)	in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6 April of the calendar year next following the year in which this Convention enters into force;
	(iii)	in respect of corporation tax, for any financial year beginning on or after 1 April of the calendar year next following the year in which this Convention enters into force;
b)	in Lux	tembourg:
	(i)	in respect of taxes withheld at source, to income derived on or after 1 January of the calendar year next following the year in which the Convention enters into force;
	(ii)	in respect of other taxes on income, and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January of the calendar year next following the year in which the Convention enters into force.
by the first Pro on 28 January London on 2 J tax with effect	e Grand otocol s 1983, a July 200 t from t	onvention between the United Kingdom of Great Britain and Northern d Duchy of Luxembourg signed at London on 24 May 1967 as amended signed at London on 18 July 1978, the second Protocol signed at London and the third Protocol and accompanying exchange of letters signed at 09 (the "prior Convention") shall cease to have effect in respect of any he date upon which this Convention has effect in respect of that tax in provisions of paragraph 1.
from the date which the mat	ement p of entry tter rela	thstanding the provisions of paragraph 1, the provisions of Article 24 rocedure) and Article 25 (Exchange of information) shall have effect y into force of this Convention without regard to the taxable period to tes, subject, in the case of Article 25, to the condition that the we been supplied under the provisions of the prior Convention.
prior Convent	ion app	of the development land tax and the petroleum revenue tax to which the lies, the prior Convention shall cease to be effective from the date upon in enters into force.
paragraph 2 of an individual y pension falling XXII of the pr pensions woul irrevocable ele	f Articl was in 1 g within rior Cor ld fall v ection v nat the a	anding the provisions of paragraph 2 and the provisions of Article 17 and e 18, where, immediately before the entry into force of this Convention, receipt of payments falling within paragraph 1 of Article XVIII or a n Article XIX of the prior Convention or a pension falling within Article nvention and, but for the provisions of this paragraph, those payments or within Articles 17 or 18 of this Convention, that individual may make an within a period of three years from the date of entry into force of this above-mentioned provisions of the prior Convention shall continue to nts.

6. Notwithstanding the provisions of paragraph 2, an individual who is entitled to the benefits of Article XX of the prior Convention at the time of the entry into force of this Convention shall continue to be entitled to such benefits as if the prior Convention had remained in force.

The prior Convention shall terminate on the last date on which it has effect in accordance with this Article.

ARTICLE 30

Termination

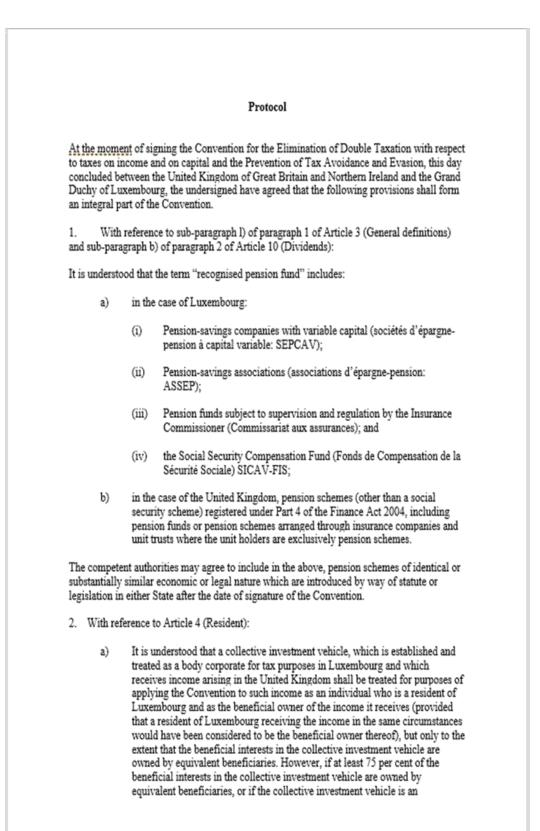
This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate this Convention, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year beginning after the expiry of five years from the date of entry into force of this Convention. In such event, this Convention shall cease to have effect:

- a) in the United Kingdom:
 - in respect of taxes withheld at source, for amounts paid or credited after the date that is six months after the date on which notice of termination was given;
 - in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6 April next following the date on which the notice is given;
 - (iii) in respect of corporation tax, for any financial year beginning on or after 1 April next following the date on which the notice is given.
- b) in Luxembourg:
 - in respect of taxes withheld at source, to income derived on or after 1 January of the calendar year next following the year in which the notice is given;
 - (ii) in respect of other taxes on income, and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January of the calendar year next following the year in which the notice is given.

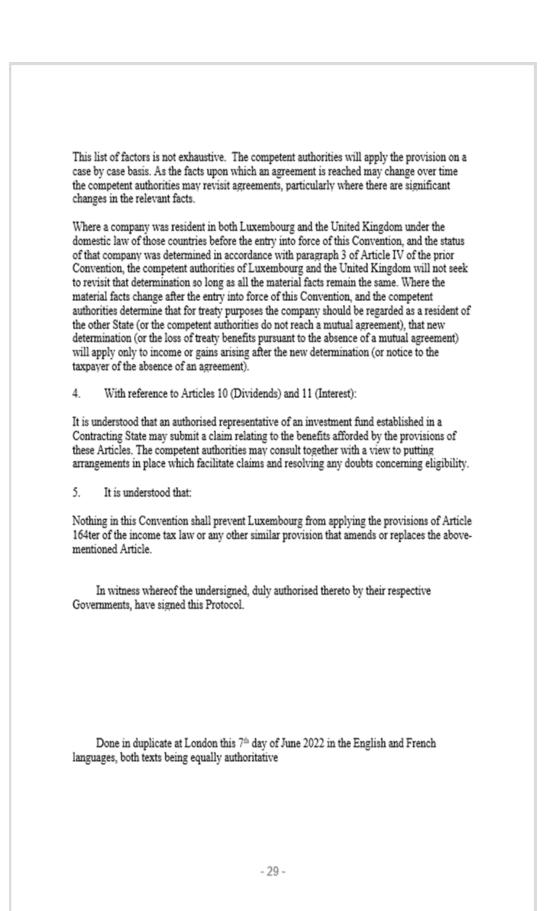
In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Convention.

Done in duplicate at London this 7th day of June 2022 in the English and French languages, both texts being equally authoritative For the Government of the For the Government of the United Kingdom of Great Britain and Northern Ireland: Grand Duchy of Luxembourg: Lucy Frazer Yuriko Backes

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	withi shall	taking for collective investment in transferable securities ("UCITS") n the meaning of EU Directive 2009/65, the collective investment vehicle be treated as a resident of Luxembourg and as the beneficial owner of all income it receives (provided that a resident of Luxembourg receiving the
	incon	ne in the same circumstances would have been considered to be the icial owner thereof).
b)	reside Unite comp item o entitle tax w under	he purposes of this paragraph the term "equivalent beneficiary" means a ent of Luxembourg, and a resident of any other jurisdiction with which the d Kingdom has arrangements that provide for effective and rehensive information exchange who would, if he received the particular of income for which benefits are being claimed under this Convention, be ed under an income tax convention with the United Kingdom, to a rate of ith respect to that item of income that is at least as low as the rate claimed this Convention by the collective investment vehicle with respect to that of income.
c)		ne purposes of this paragraph of this Protocol, the term "collective tment vehicle" means:
	(i)	Undertakings for Collective Investment in Transferable Securities (UCITS) subject to Part I of the law of 17 December 2010;
	(ii)	Undertakings for Collective Investment subject to Part II of the law of 17 December 2010;
	(iii)	Specialised Investment Funds (SIF) subject to the law of 13 February 2007; and
	(iv)	Reserved Alternative Investment Funds (RAIF) subject to the law of 23 July 2016, with the exception of reserved alternative investment funds which choose to subject themselves to the regime of Article 48 of the said law,
	Luxe	all as any other investment fund, arrangement or entity established in mbourg which the competent authorities of the Contracting States agree and as a collective investment vehicle.
3. With	referen	ce to paragraph 4 of Article 4 (Resident):
It is understo	od that	in applying this provision, the competent authorities shall have regard to:
i) ii) iii) iv) v)	where where the ex- wheth States the ri	e the senior management of the person is carried on; e the meetings of the board of directors or equivalent body are held; e the person's headquarters are located; stent and nature of the economic nexus of the person to each State; and her determining that the person is a resident of one of the Contracting s but not of the other State for the purposes of the Convention would carry sk of an improper use of the Convention or inappropriate application of omestic law of either State.
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For the Government of the United Kingdom of Great	For the Government of the Grand Duchy of	
United Kingdom of Great Britain and Northern Ireland:	Luxembourg:	
Lucy Frazer	Yuriko Backes	

EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains a Convention and Protocol ("the Arrangements") between the United Kingdom and the Grand Duchy of Luxembourg in relation to the elimination of double taxation with respect to taxes on income and on capital, the prevention of tax evasion and avoidance, and assisting international tax enforcement. This Order brings the Arrangements into effect.

The Arrangements replace the Convention, in relation to taxes with effect on and after the date the Arrangements take effect, between the United Kingdom and the Grand Duchy of Luxembourg signed at London on 24th May 1967, as amended by the first Protocol signed at London on 18th July 1978, the second Protocol signed at London on 28th January 1983, and the third Protocol and accompanying exchange of letters signed at London on 2nd July 2009.

The Arrangements aim to eliminate the double taxation of income and gains arising in one country and paid to residents of the other country. This is done by allocating the taxing rights that each country has under its domestic law over the same income and gains, and by providing relief from double taxation. There are also specific measures which combat discriminatory tax treatment and provide for assistance in international tax enforcement.

In this Order, article 1 provides for citation and article 2 makes a declaration as to the effect and content of the Arrangements.

The Arrangements will enter into force on the date of the later of the notifications by each country of the completion of its legislative procedures and will take effect in each territory in accordance with paragraphs 1 and 3 of Article 29 of the Convention.

The date of entry into force will, in due course, be published in the *London*, *Edinburgh* and *Belfast Gazettes*.

A Tax Information and Impact Note has not been produced for the Order as it gives effect to a double taxation agreement. Double taxation agreements impose no obligations on taxpayers, rather they seek to eliminate double taxation and fiscal evasion.