



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART XVIII

DOUBLE TAXATION RELIEF

CHAPTER I

THE PRINCIPAL RELIEFS

497 Relief by agreement with other countries

- (1) If Her Majesty by Order in Council declares that arrangements specified in the Order have been made with the government of any territory outside the United Kingdom with a view to affording relief from double taxation in relation to income tax or corporation tax and any taxes of a similar character imposed by the laws of that territory, and that it is expedient that those arrangements should have effect, then, subject to the provisions of this Part of this Act, the arrangements shall, notwithstanding anything in any enactment, have effect in relation to income tax and corporation tax in so far as they provide—
 - (a) for relief from income tax, or from corporation tax in respect of income, or
 - (b) for charging the income arising from sources in the United Kingdom to persons not resident in the United Kingdom, or
 - (c) for determining the income to be attributed—
 - (i) to persons not resident in the United Kingdom and their agencies, branches or establishments in the United Kingdom, or
 - (ii) to persons resident in the United Kingdom who have special relationships with persons not so resident.
- (2) The provisions of Chapter II below shall apply where arrangements which have effect by virtue of this section provide that tax payable under the laws of the territory concerned shall be allowed as a credit against tax payable in the United Kingdom.

Status: This is the original version (as it was originally enacted).

- (3) For the purposes of this section and, subject to section 503(3) below, of the said Chapter II in its application to relief under this section, any amount of tax which would have been payable under the law of a territory outside the United Kingdom but for a relief to which this subsection applies given under the law of that territory shall be treated as having been payable; and references in this section and that Chapter to double taxation, to tax payable or chargeable, or to tax not chargeable directly or by deduction shall be construed accordingly.

This subsection applies to any relief given with a view to promoting industrial, commercial, scientific, educational or other development in a territory outside the United Kingdom, being a relief with respect to which provision is made in the arrangements in question for double taxation relief.

- (4) Except in the case of a claim for an allowance by way of credit in accordance with Chapter II below, a claim for relief under subsection (1)(a) above shall be made to the Board.
- (5) Where, under any arrangements which have effect by Kingdom or in the territory with the government of which the virtue of this section, relief may be given, either in the United arrangements are made, in respect of any income, and it appears that the assessment to income tax or corporation tax made in respect of the income is not made in respect of the full amount thereof, or is incorrect having regard to the credit, if any, which falls to be given under the arrangements, any such assessments may be made as are necessary to ensure that the total amount of the income is assessed, and the proper credit, if any, is given in respect thereof, and, where the income is entrusted to any person in the United Kingdom for payment, any such assessment may be made on the recipient of the income under Case VI of Schedule D.
- (6) Any arrangements to which effect is given under this section may include provision for relief from tax for periods before the passing of this Act, or before the making of the arrangements, and provisions as to income which is not itself subject to double taxation, and the preceding provisions of this section shall have effect accordingly.
- (7) Any Order in Council made under this section may be revoked by a subsequent Order in Council, and any such revoking Order may contain such transitional provisions as appear to Her Majesty to be necessary or expedient.
- (8) Before any Order proposed to be made under this section is submitted to Her Majesty in Council, a draft thereof shall be laid before the House of Commons, and the Order shall not be so submitted unless an Address is presented to Her Majesty by that House praying that the Order be made.
- (9) Notwithstanding section 501(2) below, any arrangements made in relation to the profits tax under section 347 of the Income Tax Act 1952 (which this section re-enacts) or any earlier enactment corresponding to the said section 347 shall, except in so far as arrangements made after the passing of the Finance Act 1965 provide otherwise, have effect in relation to corporation tax and income chargeable thereto as they are expressed to have effect in relation to the profits tax and profits chargeable thereto (with the substitution of accounting periods for chargeable accounting periods), and not as they have effect in relation to income tax.