



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 2

#### DOUBLE TAXATION RELIEF

### CHAPTER 3

#### MISCELLANEOUS PROVISIONS

##### *Interpretation of double taxation arrangements*

#### **133 Special relationship rule for royalties: matters to be shown by taxpayer**

- (1) If this section applies (as to which, see section 132(1)), the special relationship rule is to be read as requiring the taxpayer to show—
  - (a) the absence of any special relationship, or
  - (b) as the case may be, the rate or amounts of royalties that would have been payable in the absence of the special relationship.
- (2) The requirement under subsection (1)(a) includes whichever is applicable of the following requirements.
- (3) The first of those requirements is—
  - (a) to show that no person of any of the descriptions in section 132(4)(a) to (d) has previously been the beneficial owner of the asset in respect of which the royalties are paid, and
  - (b) to show that no person of any of those descriptions has previously been the beneficial owner of any asset which that asset represents or from which it is derived.

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**Status:** *This is the original version (as it was originally enacted).*

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- (4) The second of those requirements is—
- (a) to show that the transaction, or series of transactions, mentioned in section 132(5)(a) would have taken place in the absence of a special relationship, and
  - (b) to show the amounts which would have been paid under the transaction, or under each of the transactions in the series of transactions, in the absence of a special relationship.