

1967 No. 163

INCOME TAX

**The Double Taxation Relief (Taxes on Income) (Denmark)
Order 1967***Laid before the House of Commons in draft**Made - - - - 10th February 1967*

At the Court at Buckingham Palace, the 10th day of February 1967

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the Commons House of Parliament in accordance with the provisions of subsection (6) of section 347 of the Income Tax Act 1952(a), and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of this Order:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by subsection (1) of the said section 347, as amended by section 64 of the Finance Act 1965(b), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1. This Order may be cited as the Double Taxation Relief (Taxes on Income) (Denmark) Order 1967.

2. It is hereby declared—

(a) that the arrangements specified in the Protocol set out in the Schedule to this Order have been made with the Government of the Kingdom of Denmark with a view to affording relief from double taxation in relation to income tax or corporation tax and taxes of a similar character imposed by the laws of Denmark varying the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Denmark) Order 1950(c); and

(b) that it is expedient that those arrangements should have effect.

W. G. Agnew.

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10.
(c) S.I. 1950/1195 (1950 I, p. 1019).

(b) 1965 c. 25.

SCHEDULE

PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE KINGDOM OF DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME SIGNED AT LONDON ON THE 27th MARCH, 1950

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Denmark;

Desiring to conclude a Protocol to amend the Convention between the Contracting Parties for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at London on the 27th March, 1950 (hereinafter referred to as "the Convention");

Have agreed as follows:

ARTICLE I

The second sentence of paragraph 2 of Article XVII of the Convention (which sentence begins with the words "Where such income is an ordinary dividend" and ends with the words "the dividend exceeds that fixed rate") shall be deleted and the following substituted:

"Where such income is a dividend paid by a company resident in Denmark to a company resident in the United Kingdom which controls directly or indirectly not less than one-quarter of the voting power in the former company, the credit shall take into account (in addition to any Danish tax payable in respect of the dividend) the Danish tax payable by that former company in respect of its profits."

ARTICLE II

(1) This Protocol shall be ratified and the instruments of ratification shall be exchanged at Copenhagen as soon as possible.

(2) This Protocol shall enter into force after the expiration of a month following the date on which the instruments of ratification are exchanged^(a) and shall thereupon have effect in relation only to dividends payable on or after 6th April, 1966, or on or after the date of entry into force of this Protocol (whichever is the later) and in relation to such dividends, shall be regarded as an integral part of the Convention.

In witness whereof the undersigned, duly authorised thereto, have signed this Protocol.

Done in duplicate at London this 7th day of July, 1966, in the English and Danish languages, both texts being equally authoritative.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

EIRENE WHITE

For the Government of the Kingdom of Denmark:

ERLING KRISTIANSEN

(a) Instruments of ratification were exchanged on 16th January 1967.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Paragraph 2 of Article XVII of the Convention between the United Kingdom and Denmark which is scheduled to the Double Taxation Relief (Taxes on Income) (Denmark) Order 1950 provides that where an ordinary dividend is received from a Danish company by a United Kingdom resident, credit is to be given for the Danish tax borne by the company on the profits out of which it is paid. The Protocol provides that credit for the Danish tax on the profits out of which the dividend is paid shall in future be given only where the dividend is received by a United Kingdom company which controls not less than one-quarter of the voting power in the Danish company paying the dividend.

The Protocol is expressed to take effect in relation to dividends due and payable on or after 6th April 1966, or on or after the entry into force of this Protocol, whichever is the later.