
STATUTORY INSTRUMENTS

1994 No. 3208

INCOME TAX

**The Double Taxation Relief (Taxes
on Income) (Isle of Man) Order 1994**

Made - - - - 14th December 1994

Whereas a draft of this Order was laid before the House of Commons in accordance with the provisions of section 788(10) of the Income and Corporation Taxes Act 1988⁽¹⁾, and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of that draft:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by section 788 of the said Act, 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) (Isle of Man) Order 1994.
2. It is hereby declared—
 - (a) that the arrangements specified in the Arrangement set out in the Schedule to this Order, which vary the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1955⁽²⁾, as amended by the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1991⁽³⁾, have been made with the Government of the Isle of Man 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 the Isle of Man; and
 - (b) that it is expedient that those arrangements have effect.

R. P. Bulling
Deputy Clerk of the Privy Council

(1) 1988 c. 1: section 788 is extended by section 277 of the Taxation of Chargeable Gains Act 1992 (c. 12).
(2) S.I.1955/1205.
(3) S.I. 1991/2880.

SCHEDULE

ARRANGEMENT BETWEEN HER MAJESTY'S GOVERNMENT AND THE GOVERNMENT OF THE ISLE OF MAN FURTHER AMENDING THE 1955 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AS AMENDED BY THE 1991 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS

1. In this Arrangement the term "1955 Arrangement" means that Arrangement as amended by the 1991 Arrangement.

2. In paragraph 9A(1) of the 1955 Arrangement for the words "any other" there shall be substituted the words "the preceding".

3. After paragraph 9A of the 1955 Arrangement there shall be inserted the following new paragraph:

"9B. Notwithstanding the preceding provisions of this Arrangement, any person who is assessed in accordance with, or is exempt from assessment by virtue of, the provisions of—

- (a) the Income Tax (Exempt Companies) Act 1984 (an Act of Tynwald), or
- (b) the International Business Act 1994 (an Act of Tynwald),

in respect of any income or profits shall not be entitled under this Arrangement to any relief or exemption from United Kingdom tax, which is computed by reference to that income or those profits, unless that person is assessed under the provisions in question on the whole of that income or those profits at a rate which is not less than the standard rate under section 1 of the Income Tax Act 1970 (an Act of Tynwald)."

4.—(1) Each of the parties to this Arrangement shall notify to the other the completion of the procedures required by law for the bringing into force of this Arrangement.

(2) This Arrangement shall enter into force on the date of the receipt of the later of those notifications and shall thereupon have effect in relation to income and profits arising on and after that date.

EXPLANATORY NOTE

(This note is not part of the Order)

The Arrangement scheduled to this Order amends the Arrangement between the United Kingdom and the Isle of Man which is scheduled to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1955 as amended by the Arrangement set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1991.

The effect of the amendment is to make relief or exemption from United Kingdom tax under the 1955 Arrangement dependent on a person who is entitled to the benefit of certain special provisions of Isle of Man law being assessed under those provisions on the whole of his income at the standard rate of tax in force in the Isle of Man at the relevant time.

The Arrangement will have effect in respect of income and profits arising on and after the date on which the Arrangement enters into force. The date of entry into force will in due course be published in the *London, Edinburgh and Belfast Gazettes*.