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STATUTORY INSTRUMENTS

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**1996 No. 730**

**TAXES**

**The Double Taxation Relief (Taxes on  
Estates of Deceased Persons and Inheritances  
and on Gifts) (Netherlands) Order 1996**

*Made - - - - 13th March 1996*

At the Court at Buckingham Palace, the 13th day of March 1996

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the House of Commons in accordance with the provisions of section 158(4) of the Inheritance Tax Act 1984<sup>(1)</sup>, 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 158 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 Estates of Deceased Persons and Inheritances and on Gifts) (Netherlands) Order 1996.

2. It is hereby declared—

- (a) that the arrangements specified in the Protocol set out in the Schedule to this Order, which vary the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Estates of Deceased Persons and Inheritances and on Gifts) (Netherlands) Order 1980<sup>(2)</sup>, have been made with the Government of the Kingdom of the Netherlands, with a view to affording relief from double taxation in relation to capital transfer tax or inheritance tax and taxes of a similar character imposed by the laws of the Kingdom of the Netherlands; and
- (b) that it is expedient that those arrangements should have effect.

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(1) 1984 c. 51; section 158 was amended by section 70(2) of the Finance Act 1987 (c. 16). By virtue of section 100(1) and (2) of the Finance Act 1986 (c. 41) on and after 25th July 1986 the Capital Transfer Tax Act 1984 may be cited as the Inheritance Tax Act 1984, and any reference in that Act to capital transfer tax is to have effect as a reference to inheritance tax, except where the reference relates to a liability arising before that date.

(2) S.I.1980/706.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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*N. H. Nicholls*  
Clerk of the Privy Council

## SCHEDULE

### PROTOCOL AMENDING THE CONVENTION BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE KINGDOM OF THE NETHERLANDS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON ESTATES OF DECEASED PERSONS AND INHERITANCES AND ON GIFTS SIGNED AT THE HAGUE ON 11TH DECEMBER 1979

The United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands;  
Desiring to conclude a Protocol to amend the Convention between the United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Estates of Deceased Persons and Inheritances and on Gifts signed at The Hague on 11th December 1979 (hereinafter referred to as “the Convention”);  
Have agreed as follows:

#### *Article I*

Paragraph (1)(a) of Article 2 of the Convention shall be deleted and replaced by the following:

- “(a) in the United Kingdom, the capital transfer tax and the inheritance tax (hereinafter referred to as “United Kingdom tax”);”

#### *Article II*

Paragraph (1)(d)(i) of Article 3 of the Convention shall be deleted and replaced by the following:

- “(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 had the right of abode in the United Kingdom at the time of the death or gift or any other material time;”

#### *Article III*

In paragraph (4)(b) of Article 13 of the Convention for the words “within 3 years” there shall be substituted “within 7 years”.

#### *Article IV*

In paragraph (1) of Article 19 of the Convention for the words “, as well as to the Netherlands Antilles,” there shall be substituted “, as well as to the Netherlands Antilles and Aruba,”.

#### *Article V*

(1) Each of the Contracting Parties shall notify the other of the completion of the procedure required by its law for the bringing into force of this Protocol.

(2) The Protocol shall enter into force on the date of the later of these notifications and shall thereupon have effect in respect of property by reference to which there is a charge to tax which arises after 17th March 1986.

#### *Article VI*

This Protocol shall cease to be effective at such time as the Convention ceases to be effective in accordance with Article 21 of the Convention.

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

Done in duplicate at London this 7th day of September 1995 in the English and Dutch languages, both texts being equally authoritative.

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

*Christopher Battiscombe*

For the Government of the Kingdom of the Netherlands:

*Jan van Roijen*

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#### **EXPLANATORY NOTE**

*(This note is not part of the Order)*

The Protocol scheduled to this Order makes certain alterations to the Convention set out in the Schedule to the Double Taxation Relief (Taxes on Estates of Deceased Persons and Inheritances and on Gifts) (Netherlands) Order 1980.

The principal amendments are as follows.

The United Kingdom's inheritance tax is added to the list of taxes covered by the Convention.

Amendment is made to the definition of "national" in relation to the United Kingdom as the definition in the Convention (Article 3) is out of date.

The time period of three years provided in the Convention (Article 13) for chargeable gifts made before death is extended to seven years. This amendment reflects the change in the treatment for United Kingdom inheritance tax purposes of gifts made within seven years before death.

The territorial extension article of the Convention (Article 16) is amended so as to include a specific reference to Aruba which is no longer part of the Netherlands Antilles.

The Protocol enters into force on the date of the later of the notifications by each country of the completion of the procedures required by its law to bring the Protocol into force. It will then take effect in respect of property by reference to which a charge to tax arises after 17th March 1986.

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