
STATUTORY INSTRUMENTS

2002 No. 2848

INCOME TAX

The Double Taxation Relief (Taxes on Income)
(The United States of America) Order 2002

Made - - - - 20th November 2002

THE DOUBLE TAXATION RELIEF (TAXES ON INCOME)
(THE UNITED STATES OF AMERICA) ORDER 2002

1. This Order may be cited as the Double Taxation Relief...
2. It is hereby declared— (a) that the arrangements specified in...
Signature

SCHEDULE —

PART I — **CONVENTION BETWEEN THE GOVERNMENT OF
THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND AND THE GOVERNMENT OF THE
UNITED STATES OF AMERICA FOR THE AVOIDANCE OF
DOUBLE TAXATION AND THE PREVENTION OF FISCAL
EVASION WITH RESPECT TO TAXES ON INCOME AND
ON CAPITAL GAINS**

The Government of the United Kingdom of Great Britain and...
Desiring to conclude a new Convention for the avoidance of...
Have agreed as follows:

Article 1

General scope

1. Except as specifically provided herein, this Convention is applicable only...
2. This Convention shall not restrict in any manner any benefit...
3. (a) Notwithstanding the provisions of sub-paragraph (b) of paragraph 2...
4. Notwithstanding any provision of this Convention except paragraph 5 of...
5. The provisions of paragraph 4 of this Article shall not...
6. A former citizen or long-term resident whose loss of citizenship...
7. Where under any provision of this Convention income or gains...

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8. An item of income, profit or gain derived through a...

Article 2

Taxes covered

1. This Convention shall apply to taxes on income and on...
2. There shall be regarded as taxes on income and on...
3. The existing taxes to which this Convention shall apply are:...
4. This Convention shall apply also to any identical or substantially...

Article 3

General definitions

1. For the purposes of this Convention, unless the context otherwise...
2. As regards the application of this Convention at any time...

Article 4

Residence

1. Except as provided in paragraphs 2 and 3 of this...
2. An individual who is a United States citizen or an...
3. The term “resident of a Contracting State” includes:
4. Where by reason of the provisions of paragraph 1 of...
5. Where by reason of the provisions of paragraph 1 of...
6. A marriage before January 1st, 1974 between a woman who...

Article 5

Permanent establishment

1. For the purposes of this Convention, the term “permanent establishment”...
2. The term “permanent establishment” includes especially: (a) a place of...
3. A building site or construction or installation project constitutes a...
4. Notwithstanding the preceding provisions of this Article, the term “permanent...”
5. Notwithstanding the provisions of paragraphs 1 and 2 of this...
6. An enterprise shall not be deemed to have a permanent...
7. The fact that a company that is a resident of...

Article 6

Income from real property

1. Income derived by a resident of a Contracting State from...
2. The provisions of paragraph 1 of this Article shall apply...
3. The provisions of paragraphs 1 and 2 of this Article...

Article 7

Business profits

1. The business profits of an enterprise of a Contracting State...
2. Subject to the provisions of paragraph 3 of this Article,...

3. In determining the business profits of a permanent establishment, there...
4. For the purposes of the preceding paragraphs, the profits to...
5. The United States excise tax on insurance policies issued by...
6. Where business profits include items of income that are dealt...
7. In applying this Article, paragraph 5 of Article 10 (Dividends),...

Article 8

Shipping and air transport

1. Profits of an enterprise of a Contracting State from the...
2. For the purposes of this Article, profits from the operation...
3. Profits of an enterprise of a Contracting State from the...
4. The provisions of paragraphs 1 and 3 of this Article...

Article 9

Associated enterprises

1. Where: (a) an enterprise of a Contracting State participates directly...
2. Where a Contracting State includes in the profits of an...

Article 10

Dividends

1. Dividends paid by a company which is a resident of...
2. However, such dividends may also be taxed in the Contracting...
3. Notwithstanding the provisions of paragraph 2 of this Article, dividends...
4. Sub-paragraph (a) of paragraph 2 and paragraph 3 of this...
5. The previous provisions of this Article shall not apply if...
6. A Contracting State may not impose any tax on dividends...
7. A company that is a resident of a Contracting State...
8. The additional tax referred to in paragraph 7 of this...
9. The provisions of this Article shall not apply in respect...
10. For the purposes of this Article: (a) the term “dividends”...

Article 11

Interest

1. Interest arising in a Contracting State and beneficially owned by...
2. The term “interest” as used in this Article means income...
3. The provisions of paragraph 1 of this Article shall not...
4. Where, by reason of a special relationship between the payer...
5. (a) Notwithstanding the provisions of paragraph 1 of this Article,...
6. Notwithstanding the provisions of paragraph 1 of this Article, a...
7. The provisions of this Article shall not apply in respect...

Article 12

ROYALTIES

1. Royalties arising in a Contracting State and beneficially owned by...
2. The term “royalties” as used in this Article means:

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3. The provisions of paragraph 1 of this Article shall not...
4. Where, by reason of a special relationship between the payer...
5. The provisions of this Article shall not apply in respect...

Article 13

Gains

1. Gains derived by a resident of a Contracting State that...
2. For the purposes of this Article the term "real property...
3. Gains from the alienation of property (other than real property)...
4. Gains derived by an enterprise of a Contracting State from...
5. Gains from the alienation of any property other than property...
6. The provisions of paragraph 5 of this Article shall not...

Article 14

Income from employment

1. Subject to the provisions of Articles 15 (Directors' Fees), 17...
2. Notwithstanding the provisions of paragraph 1 of this Article, remuneration...
3. Notwithstanding the preceding provisions of this Article, remuneration described in...

Article 15

Directors' fees

Directors' fees and other similar payments derived by a resident...

Article 16

Entertainers and sportsmen

1. Income derived by a resident of a Contracting State as...
2. Income in respect of activities exercised by an entertainer or...

Article 17

Pensions, social security, annuities, alimony, and child support

1. (a) Pensions and other similar remuneration beneficially owned by a...
2. Notwithstanding the provisions of paragraph 1 of this Article, a...
3. Notwithstanding the provisions of paragraph 1 of this Article, payments...
4. Any annuity derived and beneficially owned by an individual ("the...
5. Periodic payments, made pursuant to a written separation agreement or...

Article 18

PENSION SCHEMES

1. Where an individual who is a resident of a Contracting...
2. Where an individual who is a member or beneficiary of,...
3. The provisions of paragraph 2 of this Article shall not...
4. Where, under sub-paragraph (a) of paragraph 2 of this Article,...

5. (a) Where a citizen of the United States who is...

Article 19

Government service

1. Notwithstanding the provisions of Articles 14 (Income from Employment), 15...
2. Notwithstanding the provisions of paragraphs 1 and 2 of Article...
3. The provisions of Articles 14 (Income from Employment), 15 (Directors'...

Article 20

Students

Payments received by a student or business apprentice who is,...

Article 21

Offshore exploration and exploitation activities

1. The provisions of this Article shall apply notwithstanding any other...
2. An enterprise of a Contracting State which carries on exploration...
3. Exploration activities which are carried on by an enterprise of...
4. Salaries, wages and other similar remuneration derived by a resident...

Article 22

Other income

1. Items of income beneficially owned by a resident of a...
2. The provisions of paragraph 1 of this Article shall not...
3. Where, by reason of a special relationship between the resident...
4. The provisions of this Article shall not apply in respect...

Article 23

Limitation on benefits

1. Except as otherwise provided in this Article, a resident of...
2. A resident of a Contracting State is a qualified person...
3. Notwithstanding that a company that is a resident of a...
4. (a) Notwithstanding that a resident of a Contracting State may...
5. Notwithstanding the preceding provisions of this Article, if a company...
6. A resident of a Contracting State that is neither a...
7. For the purposes of this Article the following rules and...

Article 24

Relief from double taxation

1. In accordance with the provisions and subject to the limitations...
2. For the purposes of applying paragraph 1 of this Article,...
3. Notwithstanding the provisions of paragraph 1 of this Article, the...
4. Subject to the provisions of the law of the United...
5. For the purposes of paragraph 4 of this Article, profits,...

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6. Where the United States taxes, in accordance with paragraph 4...

Article 25

Non-discrimination

1. Nationals of a Contracting State shall not be subjected in...
2. The taxation on a permanent establishment that an enterprise of...
3. Except where the provisions of the second sentence of paragraph...
4. Enterprises of a Contracting State, the capital of which is...
5. Nothing in this Article shall be construed as obliging either...
6. Nothing in this Article shall be construed as preventing either...
7. The provisions of this Article shall, notwithstanding the provisions of...

Article 26

Mutual agreement procedure

1. Where a person considers that the actions of one or...
2. The competent authority shall endeavour, if the objection appears to...
3. The competent authorities of the Contracting States shall endeavour to...
4. The competent authorities of the Contracting States may communicate with...

Article 27

Exchange of information and administrative assistance

1. The competent authorities of the Contracting States shall exchange such...
2. If information is requested by a Contracting State in accordance...
3. In no case shall the provisions of paragraphs 1 and...
4. If specifically requested by the competent authority of a Contracting...
5. Each of the Contracting States shall endeavour to collect on...
6. The competent authority of a Contracting State intending to send...
7. The competent authorities of the Contracting States shall consult with...

Article 28

Diplomatic agents and consular officers

Nothing in this Convention shall affect the fiscal privileges of...

Article 29

Entry into force

1. This Convention shall be subject to ratification in accordance with...
2. This Convention shall enter into force upon the exchange of...
3. The Convention between the Government of the United States of...
4. Notwithstanding the entry into force of this Convention, an individual...
5. Notwithstanding the entry into force of this Convention, an individual...

Article 30

Termination

This Convention shall remain in force until terminated by a...
IN WITNESS WHEREOF, the undersigned, being duly authorised thereto
by...

DONE at London in duplicate, this 24th day of July,...
FOR THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT
BRITAIN...

Gordon Brown

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Paul H O'Neill

PART II — **PROTOCOL AMENDING THE CONVENTION BETWEEN
THE GOVERNMENT OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE
PREVENTION OF FISCAL EVASION WITH RESPECT TO
TAXES ON INCOME AND CAPITAL GAINS SIGNED AT
LONDON ON 24TH JULY 2001.**

The Government of the United Kingdom of Great Britain and...

Desiring to conclude a Protocol to amend the Convention for...

Have agreed as follows:

ARTICLE I

Paragraph 5 of Article 1 of the Convention shall be...

ARTICLE II

Paragraph 4 of Article 10 of the Convention shall be...

ARTICLE III

The following new Article 20A shall be inserted: Article 20A...

ARTICLE IV

Sub-paragraph (d) of paragraph 7 of Article 23 of the...

ARTICLE V

1. Paragraph 3 of Article 29 of the Convention shall be...
2. Paragraph 4 of Article 29 of the Convention shall be...

ARTICLE VI

1. This Protocol shall be subject to ratification in accordance with...
2. This Protocol shall enter into force upon the exchange of...

ARTICLE VII

This Protocol shall remain in force as long as the...

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto
by...

DONE at Washington in duplicate this 19th day of July...

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

FOR THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT
BRITAIN...

T. W. Scholar

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Charles P. Ries

PART III — EXCHANGE OF NOTES

London

24 July 2001

Excellency:

I have the honour to refer to the Convention between...

With reference to paragraph 3 of Article 1 (General Scope):

With reference to paragraph 6 of Article 1 (General Scope):

With reference to paragraph 8 of Article 1 (General Scope):

It is further understood that, where, by virtue of the...

It is further understood that, in applying the paragraph, the...

It is further understood that, in applying the paragraph, a...

With reference to Article 2 (Taxes Covered):

With reference to sub-paragraph (o) of paragraph 1 of Article 3 (General Definitions):

With reference to Article 7 (Business Profits):

With reference to paragraph 2 of Article 8 (Shipping and Air Transport):

With reference to Article 9 (Associated Enterprises), paragraph 4 of

Article 11 (Interest) and paragraph 4 of Article 12 (Royalties):

With reference to paragraph 7 of Article 10 (Dividends):

With reference to Article 14 (Income from Employment):

It is further understood that where an employee:

With the aim of ensuring that no unrelieved double taxation...

With reference to paragraph 1 of Article 17 (Pensions, Social Security, Annuities, Alimony, and Child Support):

With reference to sub-paragraph (b) of paragraph 3 and sub-paragraph (d) of paragraph 5 of Article 18 (Pension Schemes):

With reference to paragraph 1 of Article 22 (Other Income):

With reference to Article 23 (Limitation on Benefits):

With reference to paragraph 4 of Article 23 (Limitation on Benefits):

It is understood that an item of income, profit or...

With reference to paragraph 6 of Article 23 (Limitation on Benefits):

Paragraph 6 of Article 23 requires the competent authority of...

If the competent authority is satisfied that these changed circumstances...

With reference to sub-paragraph (e) of paragraph 7 of Article 23 (Limitation on Benefits):

With reference to Article 24 (Relief from Double Taxation):

In the case where the same item of income, profit...

It is further understood that paragraphs 2 and 5 of...

With reference to paragraphs 1 and 4 of Article 24 (Relief from Double Taxation):

With reference to paragraph 2 of Article 26 (Mutual Agreement Procedure):

With reference to paragraph 3 of Article 26 (Mutual Agreement Procedure):

With reference to Article 27 (Exchange of Information and Administrative Assistance):

With reference to Article 29 (Entry into Force):

In General:

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Notwithstanding the preceding paragraph, either Government may at any time...

If the foregoing proposals are acceptable to the Government of...

I avail myself of this opportunity to extend to Your...

R D Wilkinson

Director Americas Foreign and Commonwealth Office, London

Embassy of the United States of America London

July 24th, 2001

Note No. 074

Sir:

I have the honour to acknowledge receipt of your note...

The foregoing proposals being acceptable to the Government of the...

Please accept the renewed assurance of my highest consideration.

Sincerely,

W S Farish

Ambassador, The Honourable William S. Farish, The American

Ambassador to...

Explanatory Note