STATUTORY INSTRUMENTS

2021 No. 1447

CAPITAL GAINS TAX CORPORATION TAX INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Taiwan) Order 2021

Made - - - - 15th December 2021

At Windsor Castle, the 15th day of December 2021 Present,

The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010(1) and section 173(7) of the Finance Act 2006(2) and approved by resolution of that House.

Accordingly, Her Majesty, in exercising the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010 and section 173(1) to (3) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Taiwan) Order 2021.

Double taxation and international tax enforcement arrangements to have effect

- **2.** It is declared that—
 - (a) the arrangements specified in the Protocol set out in the Schedule to this Order, which amend the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Taiwan) Order 2002(3), have been made in relation to the territory of Taiwan;

⁽¹⁾ 2010 c. 8.

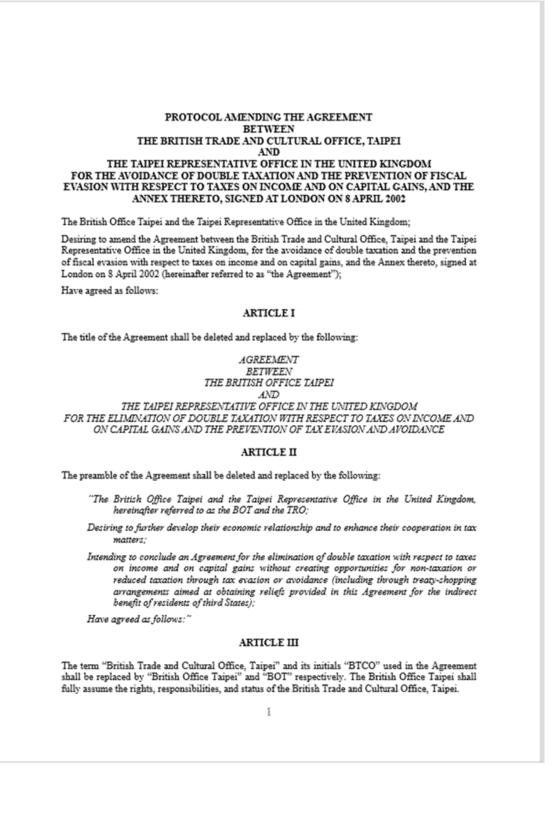
^{(2) 2006} c. 25. (3) S. L. 2002/2127

⁽³⁾ S.I. 2002/3137.

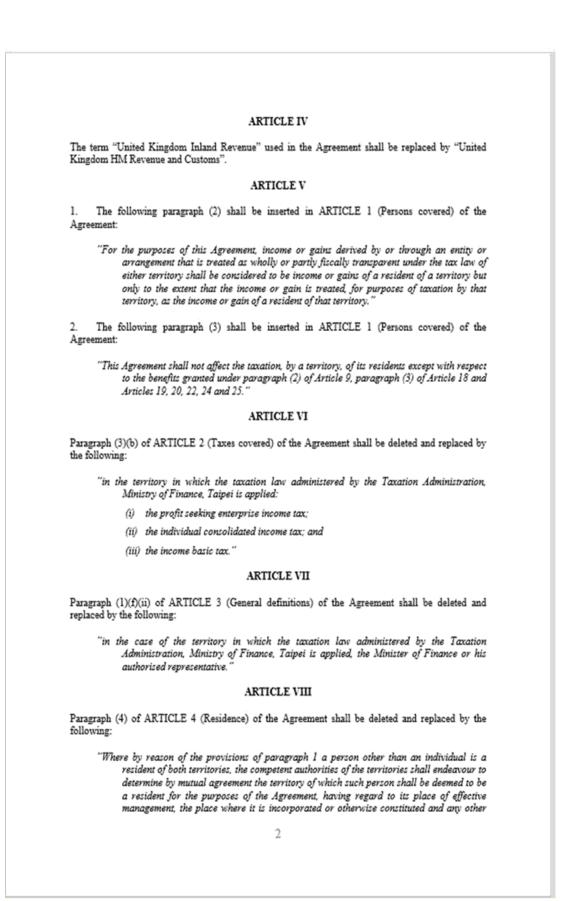
- (b) those arrangements have been made with a view to the elimination of double taxation with respect to capital gains tax, corporation tax, income tax and taxes of a similar character imposed by the laws of Taiwan, the prevention of tax avoidance and evasion, and for the purpose of assisting international tax enforcement; and
- (c) it is expedient that those arrangements should have effect.

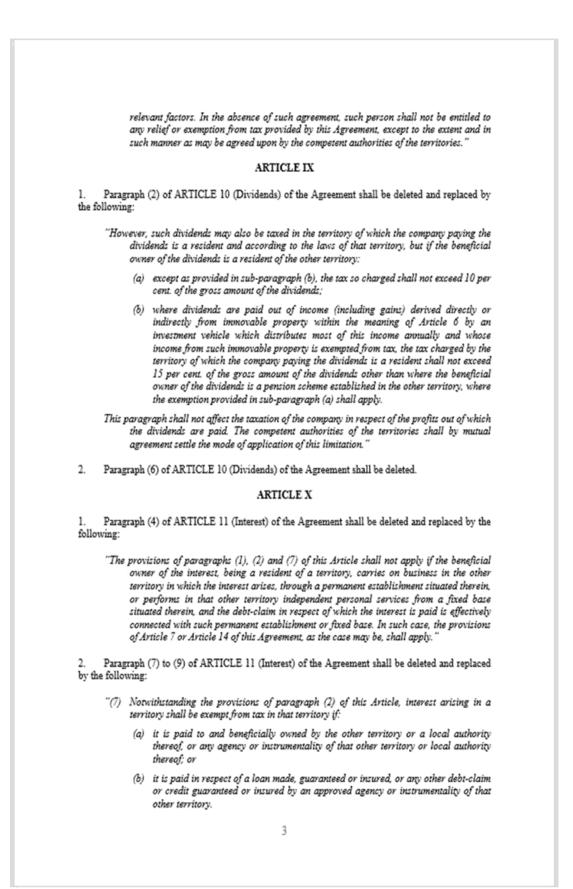
Richard Tilbrook Clerk of the Privy Council

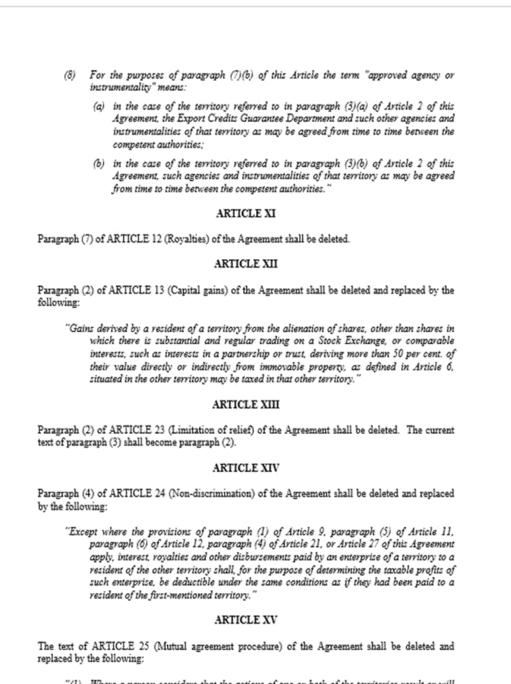
SCHEDULE



Article 2

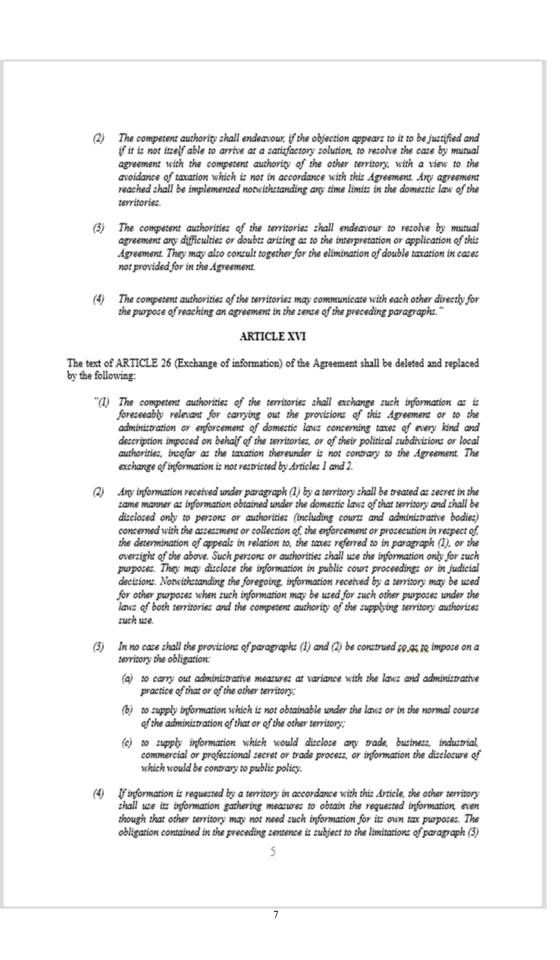


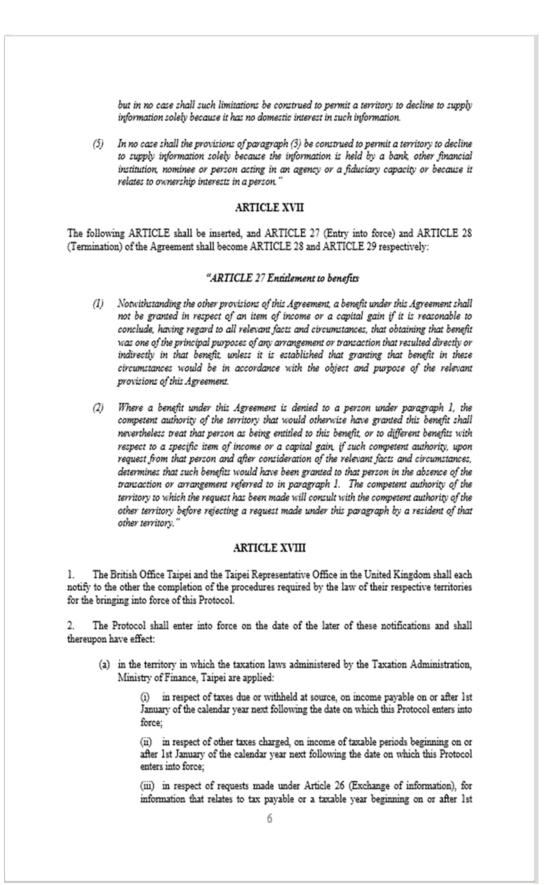


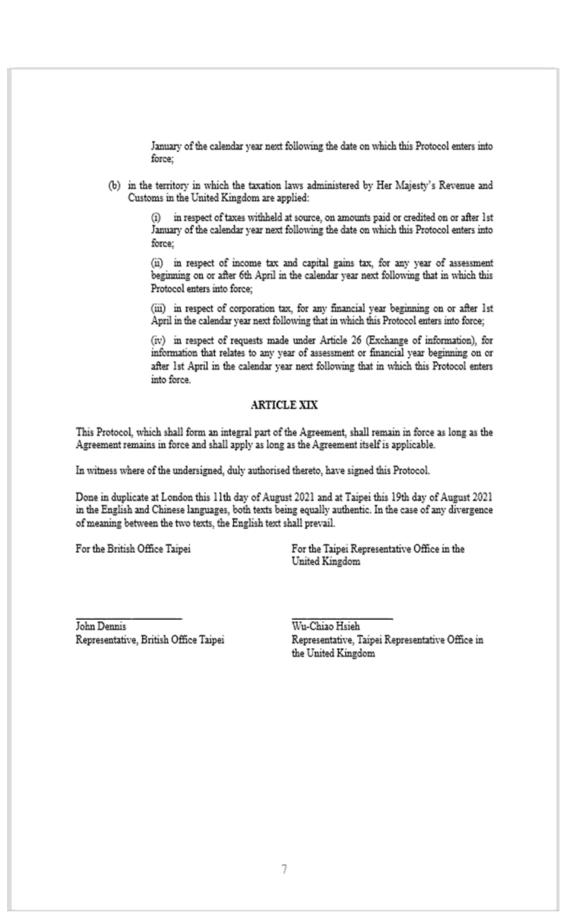


"(1) Where a person considers that the actions of one or both of the territories result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those territories, present his case to the competent authority of either territory. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

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EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to the Order contains a protocol ("the Protocol") which amends an agreement in relation to the territory of Taiwan dealing with the elimination of double taxation with respect to capital gains tax, corporation tax and income tax, the prevention of tax avoidance and evasion, and international tax enforcement ("the Agreement"). The Order brings the Protocol into effect.

The Agreement was scheduled to the Double Taxation Relief (Taxes on Income) (Taiwan) Order 2002 (S.I. 2002/3137).

The Agreement aims to eliminate the double taxation of income and gains arising in one territory and paid to residents of the other territory. This is done by allocating the taxing rights that each territory has under its domestic law over the same income and gains, and by providing relief from double taxation. There are also specific measures which combat discriminatory tax treatment and provide for assistance in international tax enforcement. The Protocol continues this approach.

Article 1 of the Order provides for citation and article 2 of the Order makes a declaration as to the effect and content of the Protocol.

Amendments are made to the title of, and the preamble to, the Agreement and the Articles of the Agreement relating to persons covered, taxes covered, general definitions, residence, dividends, interest, royalties, capital gains, limitation of relief, non-discrimination, mutual agreement procedure and exchange of information. An Article relating to entitlement to benefits is added to the Agreement.

The Protocol will enter into force on the date of the later of the notifications by each territory of the completion of its legislative procedures, and will take effect in each territory in accordance with paragraph 2 of Article XVIII of the Protocol.

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

A Tax Information and Impact Note has not been produced for the Order as it gives effect to a double taxation agreement. Double taxation agreements impose no obligations on taxpayers, rather they seek to eliminate double taxation and fiscal evasion.