
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains an agreement (“the Agreement”) dealing with the avoidance of double taxation and prevention of fiscal evasion between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Bahrain. This Order brings the Agreement into effect.

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

Article 1 provides for citation.

Article 2 makes a declaration as to the effect and content of the Agreement.

The Agreement will enter into force on the date of the later of the notifications by each country of the completion of its legislative procedures. It will take effect as follows:

- (a) with regard to taxes withheld at source, in respect of amounts paid or credited on or after the first day of January of the calendar year following the year in which the Agreement enters into force;
- (b) with regard to other taxes, in respect of taxable years (and in the case of United Kingdom corporation tax, financial years) beginning on or after the first day of January of the calendar year following the year in which the Agreement enters into force.

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

In line with government commitments, a Tax Information and Impact Note has not been prepared for this Order as it gives effect to a previously announced policy to enact a double taxation agreement.