



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 4

#### TRANSFER PRICING

### CHAPTER 3

#### EXEMPTIONS FROM BASIC RULE

#### **173 Meaning of “qualifying territory” and “non-qualifying territory”**

(1) In section 167(3)—

“non-qualifying territory” means any territory which is not a qualifying territory, and

“qualifying territory” means—

- (a) the United Kingdom, or
- (b) any territory in relation to which condition A or condition B is met.

(2) Condition A is that—

- (a) double taxation arrangements have been made in relation to the territory,
- (b) the arrangements include a non-discrimination provision, and
- (c) the territory is not designated as a non-qualifying territory for the purposes of this subsection in regulations made by the Treasury.

(3) Condition B is that—

- (a) double taxation arrangements have been made in relation to the territory, and
- (b) the territory is designated as a qualifying territory for the purposes of this subsection in regulations made by the Treasury.

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**Changes to legislation:** There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 173. (See end of Document for details)

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- (4) For the purposes of subsection (2)(b) a “non-discrimination provision”, in relation to any double taxation arrangements, is a provision to the effect that nationals of a state which is a party to those arrangements (a “contracting state”) are not to be subject in any other contracting state to—
- (a) any taxation, or
  - (b) any requirement connected with taxation,
- which is other or more burdensome than the taxation and connected requirements to which nationals of that other state in the same circumstances (in particular with respect to residence) are or may be subjected.
- (5) In subsection (4) “national”, in relation to a state, includes—
- (a) any individual possessing the nationality or citizenship of the state, and
  - (b) any legal person, partnership or association deriving its status as such from the law in force in that state.
- (6) In this section “double taxation arrangements” means arrangements that have effect under section 2(1) (double taxation relief by agreement with territories outside the United Kingdom).
- (7) Regulations under this section may only be made if a draft of the statutory instrument containing the regulations has been laid before and approved by a resolution of the House of Commons.

**Changes to legislation:**

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 173.