
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains arrangements (“the Arrangements”) dealing with the avoidance of double taxation and the prevention of fiscal evasion between the Government of the United Kingdom and the Government of the Cayman Islands. This Order brings the Arrangements into effect.

The Arrangements aim to eliminate the double taxation of income or gains arising in one country and paid to residents of the other country. They do this 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 Arrangements.

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

- (a) in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6th April next following the date on which the arrangements enter into force;
- (b) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which the arrangements enter into force; and
- (c) in respect of other taxes, for charges to tax arising on or after the date on which the arrangements enter into force.

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

A full and final Impact Assessment has not been produced for this Order as a negligible impact on the private or voluntary sectors is foreseen.