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## EXPLANATORY NOTE

*(This note is not part of the Order)*

The Schedule to this Order contains a convention, protocol and joint declaration (“the Arrangements”) 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 Federal Republic of Germany. This Order brings the Arrangements into effect.

The Arrangements aim to eliminate the double taxation of income and gains 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 Arrangements.

The Arrangements will enter into force on the day of exchange of the instruments of ratification. They shall have effect:

- (a) in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6th April in the calendar year next following the date of entry into force;
- (b) in respect of corporation tax, for any financial year beginning on or after 1st April in the calendar year next following the date of entry into force;
- (c) in respect of taxes withheld at source, the UK in relation to income derived, and in Germany in relation to amounts paid, on or after 1st January in the calendar year next following the date of entry into force; and
- (d) in respect of other taxes, for periods beginning on or after 1st January in the calendar year next following the date of entry 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.