
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains a Protocol (“the Protocol”) which amends an agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the State of Qatar for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains, which was set out in the Schedule to the Double Taxation Relief and International Tax Enforcement (Qatar) Order 2010 (S.I. 2010/241) (“the Agreement”). This Order brings the Protocol 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. It does this by allocating the taxing rights that each country has under its domestic law over the same income or gains, and/or by providing relief from double taxation. It also has specific measures which combat discriminatory tax treatment and provide for assistance in international tax enforcement. The Protocol continues this approach.

The Protocol amends Article 11 (Interest) of the Agreement to clarify that the provision in paragraph 3(a)(iv), which exempts certain companies from source state taxation on interest payments should apply reciprocally.

Article 1 provides for citation.

Article 2 makes a declaration as to the effect and content of the arrangements specified in the Protocol.

The Protocol 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 from the same date as the Agreement has effect with regard to taxes withheld at source i.e. from 1st January 2011.

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.