
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule contains arrangements between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Gibraltar dealing with the avoidance of double taxation and the prevention of tax evasion and avoidance. The Order brings those arrangements into effect.

The arrangements aim to eliminate the double taxation of income and gains arising in one territory and paid to residents of the other territory. This is done by allocating the taxing rights that each territory 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.

The arrangements will take effect as follows:

- (a) in respect of Article 25 (Exchange of information) and Article 26 (Assistance in the collection of taxes), from the date of entry into force of the arrangements, without regard to the taxable period to which the matter relates,
- (b) in respect of taxes withheld at source, for amounts paid or credited on or after the first day of the second month next following the date on which the arrangements enter into force,
- (c) in Gibraltar, subject to paragraphs (a) and (b) above, in respect of income tax and corporation tax, for any year of assessment beginning on or after 1st July next following the date of entry into force of the arrangements,
- (d) in the United Kingdom, subject to paragraphs (a) and (b) above:
 - (i) in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6th April next following the date of entry into force of the arrangements; and
 - (ii) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date of entry into force of the arrangements.

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

A Tax Information and Impact Note has not been produced for the Order as it gives effect to a double taxation agreement. Double taxation agreements impose no obligations on taxpayers, rather they seek to eliminate double taxation and fiscal evasion.