2002 No. 2847

INCOME TAX

The Double Taxation Relief (Taxes on Income) (Lithuania) Order 2002

Made - - - - - *20th November 2002*

At the Court at Buckingham Palace, the 20th day of November 2002

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the House of Commons in accordance with the provisions of section 788(10) of the Income and Corporation Taxes Act 1988(**a**), and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of that draft:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by section 788 of the said Act, and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1. This Order may be cited as the Double Taxation Relief (Taxes on Income) (Lithuania) Order 2002.

2. It is hereby declared—

(a) that the arrangements specified in the Protocol set out in the Schedule to this Order which vary the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Lithuania) Order 2001 have been made with the Government of Lithuania with a view to affording relief from double taxation in relation to income tax, corporation tax or capital gains tax and taxes of a similar character imposed by the laws of Lithuania;

(b) that it is expedient that those arrangements should have effect.

A. K. Galloway
Clerk of the Privy Council

(**a**) 1988 c. 1; section 788 is extended by section 277 of the Taxation of Chargeable Gains Act 1992 (c. 12).

PROTOCOL BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL GAINS SIGNED AT VILNIUS ON 19th MARCH 2001

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Lithuania (hereinafter referred to as "the Contracting States");

Desiring to conclude a Protocol to amend the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Lithuania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains, with Exchange of Notes, signed at Vilnius on 19th March 2001 (hereinafter referred to as "the Convention"):

Have agreed as follows:

Article I

Article 31 of the Convention shall be deleted and replaced by the following:

"ARTICLE 31

Entry into force

The Governments of each of the Contracting States shall notify the other through diplomatic channels of the completion of the procedures required by law for the bringing into force of this Convention. This Convention shall enter into force on the date of the later of these notifications and shall thereupon have effect:

(a) in Lithuania:
  (i) in respect of taxes withheld at source, on income derived on or after the first day of January 2002;
  (ii) in respect of other taxes, for taxes chargeable for any tax year beginning on or after the first day of January 2002;
(b) in the United Kingdom:
  (i) in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6th April 2002;
  (ii) in respect of corporation tax, for any financial year beginning on or after 1st April 2002."

Article II

The Governments of each of the Contracting States shall notify the other through diplomatic channels of the completion of the procedures required by law for the bringing into force of this Protocol. This Protocol shall enter into force on the date of the later of these notifications and shall thereupon have immediate effect in both Contracting States.

Article III

This Protocol shall cease to be effective at such time as the Convention ceases to be effective in accordance with Article 32 of the Convention.

In witness whereof the undersigned, duly authorised thereto, have signed this Protocol.

Done in duplicate at London, this 15th day of May 2002 in the English and the Lithuanian languages, both texts being equally authentic.

For the Government of the
United Kingdom of Great Britain
and Northern Ireland
Jack Straw

For the Government of the
Republic of Lithuania
A Valionis

EXPLANATORY NOTE

(This note is not part of the Order)

The Protocol scheduled to this order makes an alteration to the Convention set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Lithuania) Order 2001.

The Protocol replaces Article 31 (Entry into force) of the Convention with a new Article 31 providing that the Convention will take effect in the United Kingdom for any financial year beginning on or after 1st April 2002 in respect of corporation tax, and for any year of assessment beginning on or after 6th April 2002 in respect of income tax and capital gains tax; and will take effect in Lithuania from 1st January 2002.

The Protocol will enter into force when both countries have notified each other of the completion of their respective legislative procedures. It will then take immediate effect in the United Kingdom. The date of entry into force will in due course be published in the *London, Edinburgh* and *Belfast Gazettes.*

STATUTORY INSTRUMENTS

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