Draft Order in Council laid before the House of Commons under section 5(2) of the Taxation (International and Other Provisions) Act 2010 and section 173(7) of the Finance Act 2006, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2015 No.

CORPORATION TAX

INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Guernsey) Order 2015

Made - - - - ***

At the Court at Buckingham Palace, the *** day of ***

Present,

The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010(**a**) and section 173(7) of the Finance Act 2006(**b**) and approved by a resolution of that House.

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010 and section 173(1) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Guernsey) Order 2015.

Double taxation and international tax enforcement arrangements to have effect

2. It is declared that—

(a) there has been made with the States of Guernsey—

(i) the Exchange of Letters set out in Part 1 of the Schedule to this Order; and

(ii) the Arrangement referred to in the Exchange of Letters, as set out in Part 2 of that Schedule, which varies the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Guernsey) Order 1952(**c**), as amended by the

(**a**) 2010 c. 8.
(**b**) 2006 c. 25.
(**c**) S.I. 1952/1215.

arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Guernsey) Order 1994(**a**) and the Schedule to the Double Taxation Relief and International Tax Enforcement (Guernsey) Order 2009(**b**),

with a view to affording relief from double taxation in relation to income tax or corporation tax and taxes of a similar character imposed by the laws of either party; and

(b) it is expedient that the Arrangement should have effect.

Name

Date

Clerk of the Privy Council

(**a**) S.I. 1994/3209.
(**b**) S.I. 2009/3011.

SCHEDULE

Article 2

PART 1

EXCHANGE OF LETTERS

BETWEEN HER MAJESTY'S GOVERNMENT AND THE STATES OF GUERNSEY CONCERNING AN ARRANGEMENT AMENDING THE 1952 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

London, 22 09 2015

Dear Chief Minster,

I have the honour to propose to you the Arrangement, further amending the 1952 Arrangement between Her Majesty's Government and the States of Guernsey for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income at Appendix 1 to this letter and that this Arrangement shall have effect in accordance with paragraph 4 thereof.

I have the further honour to propose that, if the above is acceptable to the States of Guernsey, this letter and Appendix 1 together with your reply will constitute our mutual acceptance of the provisions of the Arrangement.

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

David Gauke

Saint Peter Port, 07 10 2015

Dear David,

Thank you for your letter of 22 September 2015, received on 25 September 2015 concerning the proposed amendment to the 1952 Arrangement between Her Majesty's Government and the States of Guernsey for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income ("the Arrangement")

I am pleased to inform you that the terms of the Arrangement are acceptable to the States of Guernsey and ask that you accept this reply as confirmation

Please accept, Sir, the assurances of my highest consideration.

Jonathan P Le Tocq

Chief Minister

PART 2

APPENDIX 1 TO THE EXCHANGE OF LETTERS ARRANGEMENT BETWEEN HER MAJESTY'S GOVERNMENT AND THE STATES OF GUERNSEY AMENDING THE 1952 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AS AMENDED BY THE 1994 AND 2009 ARRANGEMENTS BETWEEN THE TWO GOVERNMENTS

Her Majesty's Government and the States of Guernsey,

Desiring to strengthen their economic relationship and to improve the operation of the existing arrangements between the two governments for the avoidance of double taxation and the prevention of fiscal evasion, have agreed as follows:

1. In this Arrangement the term "1952 Arrangement" means that Arrangement as amended by the 1994 and 2009 Arrangements.

2. To substitute for the existing definition of the United Kingdom at paragraph 2(1)(a) of the 1952 Arrangement:

the term "United Kingdom" means Great Britain and Northern Ireland but, when used in a geographical sense, means the territory and territorial sea of Great Britain and Northern Ireland and the areas beyond that territorial sea over which Great Britain and Northern Ireland exercise sovereign rights or jurisdiction in accordance with their domestic law and international law;

3. To substitute for the existing definition of Guernsey at paragraph 2(1)(b) of the Guernsey Arrangement:

the term "Guernsey" means the States of Guernsey and, when used in a geographical sense, means the islands of Guernsey, Alderney and Herm, and the territorial sea adjacent thereto, in accordance with international law, save that any reference to the law of Guernsey is to the law of the island of Guernsey as it applies there and in the islands of Alderney and Herm;

4. Each of the United Kingdom of Great Britain and Northern Ireland and the States of Guernsey shall notify the other of the completion of the procedures required by its law for the bringing into force of this Arrangement. This Arrangement shall enter into force on the date of the later of these notifications and shall thereupon have effect:

a) in the United Kingdom:

i) in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which this Arrangement enters into force;

ii) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which this Arrangement enters into force;

b) in Guernsey, in respect of Guernsey tax, for any year of charge beginning on or after 1st January next following the date on which this Arrangement enters into force.

EXPLANATORY NOTE

(This note is not part of the Order)

(This note is not part of the Order)The Schedule to the Order contains an Exchange of Letters between the United Kingdom and Guernsey concerning an Arrangement amending the 1952 Arrangement between the two parties for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, which was scheduled to the Double Taxation Relief (Taxes on Income) (Guernsey) Order 1952 (S.I. 1952/1215) and subsequently amended in 1994 and 2009. The Schedule also contains the text of the Arrangement referred to in the Exchange of Letters.

Article 2 provides that it is expedient that the Arrangement should have effect. The Arrangement relates to the avoidance of double taxation and varies the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Guernsey) Order 1952.

The Arrangement will enter into force on the date of the later of the notifications of each territory of the completion of its legislative procedures. It will take effect in the United Kingdom—

(a) in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which the Arrangement enters into force; and

(b) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which the Arrangement enters into force.

The Arrangement will take effect in Guernsey in respect of income tax, for any year of assessment beginning on or after 1st January next following the date on which the Arrangement enters into force.

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 this Order as it gives effect to a previously announced policy to enact a double taxation agreement.

© Crown copyright 2015

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£4.25

UK2015102717 11/2015 19585

http://www.legislation.gov.uk/id/ukdsi/2015/9780111140291

ISBN 978-0-11-114029-1

9 780111 140291