EXPLANATORY MEMORANDUM TO

THE DOUBLE TAXATION RELIEF AND INTERNATIONAL TAX ENFORCEMENT (LUXEMBOURG) ORDER 2022

2022 No. [XXXX]

1. Introduction

1.1 This explanatory memorandum has been prepared by HM Revenue and Customs (HMRC) and is laid before the House of Commons by Command of Her Majesty.

2. Purpose of the instrument

2.1 The instrument brings into effect arrangements set out in a Convention and Protocol (the 2022 Arrangements) made by the Government of the United Kingdom and the Government of Luxembourg. The 2022 Arrangements replace the existing arrangements (the 1968 Arrangements) between the two Governments for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital which will cease to have effect.

3. Matters of special interest to Parliament

Matters of special interest to the Select Committee on Statutory Instruments

3.1 None.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is the United Kingdom.

4.2 The territorial application of this instrument is the United Kingdom.

5. European Convention on Human Rights

5.1 The Rt Hon Lucy Frazer QC MP, Financial Secretary to the Treasury has made the following statement regarding Human Rights:

"In my view the provisions of the Double Taxation Relief and International Tax Enforcement (Luxembourg) Order 2022 are compatible with the Convention rights."

6. Legislative Context

6.1 The instrument is being made to give effect in United Kingdom legislation to the 2022 Arrangements, which have been signed by the two Governments. The arrangements in the 2022 Arrangements are specified in the Schedule to the instrument. The 2022 Arrangements replace the 1968 Arrangements, as amended, which were given effect by SI 1968 No. 1100, SI 1980 No. 567, SI 1984 No. 364 and SI 2010 No. 237.

7. Policy background

What is being done and why?

7.1 The purpose of Double Taxation Agreements (DTAs) is to prevent income or gains being taxed both in the territory in which they arise and the territory in which the recipient is resident. They do this either by allocating an exclusive right to tax the

income or gain to one of the territories, or by providing that one territory must give relief for the tax charged in the other territory in respect of the same income or gain. DTAs also provide additional protection for taxpayers by including specific measures that combat discriminatory tax treatment. More generally, DTAs benefit taxpayers by ensuring certainty of treatment and, as far as possible, by reducing compliance burdens.

7.2 DTAs also protect the Exchequer by including provisions to combat tax avoidance and evasion. For example, measures providing for the exchange of information between revenue authorities make it more difficult for residents of both territories to evade taxation by concealing assets offshore.

7.3 Like all of the United Kingdom's more recent DTAs, the 2022 Arrangements largely follow the Organisation for Economic Cooperation and Development's (OECD) latest Model Tax Convention on Income and on Capital (OECD Model). In doing so, they encourage and maintain international consensus on the appropriate tax treatment of cross-border economic activity, promoting international trade and investment.

7.4 The Government keeps all of the United Kingdom's DTAs under review to ensure that they are in line with current policy. The 1968 Arrangements were last updated in 2009 to modify provisions relating to the exchange of information, and then in 2020 to introduce the minimum standards recommended by the OECD/G20 Base Erosion and Profit Shifting (BEPS) project, which are designed to prevent DTAs from being abused by people trying to reduce their tax liability where the DTA is not intended to apply. References to the 1968 Arrangements throughout this Explanatory Memorandum include the 1968 Arrangements as they stood following modification by the 2009 Protocol and the 2020 BEPS update. Updating the DTA now to follow many of the latest provisions in the OECD Model will make the DTA easier for businesses to understand, remove obstacles to cross-border trade and investment and reflect changes in policy and domestic tax legislation in both Luxembourg and the United Kingdom since the 1968 Arrangements were agreed.

7.5 The 2022 Arrangements also include the minimum standards recommended by the BEPS project. The BEPS project created a single set of consensus-based international tax rules to protect against tax avoidance while offering increased certainty and predictability to taxpayers. These provisions are now included in the 2017 version of the OECD Model.

7.6 The 2022 Arrangements make important changes to the allocation of taxing rights that restore the position to that which existed when the European Union (EU) Interest and Royalties and Parent Subsidiary Directives applied to the United Kingdom. It also provides for reciprocal assistance in the recovery of tax debts, replacing the assistance that was previously provided under an EU directive. Additionally, the 2022 Arrangements include provisions which ensure that the United Kingdom can tax gains made by residents of Luxembourg from the indirect disposal of immovable property in the United Kingdom. This change will help protect future revenues where the United Kingdom imposes capital gains tax on non-residents.

The following paragraphs in this section explain the provisions of the 2022 Arrangements including the main differences from the 1968 Arrangements and reasons for material departures from the OECD Model

7.7 The title and preamble of the 2022 Arrangements follow the latest OECD Model. The change to the OECD Model arose from the BEPS Action 6 Report on preventing the

granting of treaty benefits in inappropriate circumstances. The statement in the preamble that the territories intend to avoid creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance, including through treaty shopping arrangements, is one of the elements of the minimum standard on preventing treaty abuse agreed under the BEPS project.

7.8 Article 1 (Persons covered) sets out the general scope of the 2022 Arrangements. The 2022 Arrangements include two provisions from the OECD Model that were introduced following the BEPS project, the second of which was absent from the 1968 Arrangements. The first concerns the treatment of income or gains derived through fiscally transparent persons such as partnerships. This provision confirms that the benefits of the 2022 Arrangements are only due where such income is effectively taxed in the hands of a resident of one of the territories. The second provision clarifies that the 2022 Arrangements do not prevent a territory taxing its own residents except where they explicitly provide as such. This puts beyond doubt that the provisions of a DTA cannot be used to circumvent anti-avoidance rules in a territory's domestic tax law.

7.9 Article 2 (Taxes covered) lists the taxes to which the 2022 Arrangements are to apply. The existing United Kingdom taxes to which the 2022 Arrangements will apply are income tax, corporation tax and capital gains tax. The existing Luxembourg taxes to which the Arrangements will apply are the income tax on individuals, the corporation tax, the capital tax and the communal trade tax. Both territories' lists have been amended to remove taxes to which the 2022 Arrangements no longer need to apply due to changes in their respective domestic laws.

7.10 Article 3 (General definitions) defines a number of terms used in the 2022 Arrangements and provides a rule for determining the meaning of terms not defined. For the most part, changes from the 1968 Arrangements reflect changes in the OECD Model. In particular, the 2022 Arrangements include a definition of a "recognised pension scheme" relevant to Articles 4 and 10. The United Kingdom uses a definition of "national" that differs from the OECD Model in order to more accurately reflect the provisions of its domestic law.

7.11 Article 4 (Resident) establishes the meaning of "resident of a Contracting State" and lays down detailed rules for resolving cases where individuals or other persons may be considered residents of both territories for tax purposes under their domestic laws. Unlike the OECD Model, the provisions of paragraph 1 include reference to both "place of incorporation" and "place of registered office" as these conditions establish company residence under the domestic laws of the United Kingdom and Luxembourg respectively. Paragraph 1 also confirms that a "recognised pension scheme" of either territory will be considered to be a resident. Paragraph 2 does not have an equivalent in the OECD Model, but reflects the United Kingdom preference for confirming that certain non-profit organisations will enjoy the benefits of the 2022 Arrangements even if they are generally exempt from taxation. Paragraph 4 provides a tiebreaker for persons other than individuals which are resident in both territories under paragraph 1 of the Article. Under the 2022 Arrangements the competent authorities will determine the residence status of such persons by mutual agreement, whereas under the 1968 Arrangements such matters were determined based on the place of effective management of the person. This change was introduced to the OECD Model following the BEPS project and prevents companies manipulating their tax residence for tax avoidance purposes.

7.12 Article 5 (Permanent establishment) defines the term "permanent establishment" (PE) for the purposes of the 2022 Arrangements. Taken together with Article 7, it describes the circumstances and manner in which enterprises of one territory may be taxed on their business profits arising in the other. Compared to Article V of the 1968 Arrangements, the new Article amends the rules on construction sites and expands the list of activities that will not be considered to be a PE. It also includes a rule that prevents companies fragmenting their activities in order to avoid the PE threshold. This rule was recommended by the BEPS project. Consistent with their positions adopted under the Multilateral Convention to Implement Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI), the United Kingdom and Luxembourg agreed to not adopt other amendments to the definition of PE recommended by the BEPS project. The Government believes that these additional changes would have a disproportionate effect on commercial transactions and are unnecessary in the light of changes to the transfer pricing guidelines also introduced by the BEPS project.

7.13 Article 6 (Income from immovable property) allows the territory in which the property is situated to tax income from immovable property. It also defines immovable property. The Article replicates the equivalent provisions of the OECD Model and there are no material changes from the equivalent provision in the 1968 Arrangements.

7.14 Article 7 (Business profits) provides that unless an enterprise of one territory carries on business in the other through a PE situated there, its profits will be taxable only in its territory of residence. Where the enterprise has a PE in the other territory, that territory will be entitled to tax profits attributable to the PE. The provisions of the Article in the 2022 Arrangements follow the latest OECD Model provisions first adopted in 2010 which ensure that the attribution of profits to PEs is more closely aligned with the arm's length principle used to allocate profits between associated enterprises under Article 9. In line with the OECD Model, income from professional services or similar activities previously falling within Article XIV of the 1968 Arrangements will now be dealt with under Article 7 of the 2022 Arrangements.

7.15 Article 8 (International shipping and air transport) governs the taxation of shipping and air transport operated in international traffic. In general, and in line with the OECD Model, it provides that profits of an enterprise of one territory from the operation of ships or aircraft in international traffic shall be taxable only in that territory. In line with United Kingdom preferences, the provision clarifies that certain incidental income will be included in profits from the operation of ships and aircraft in international traffic. The 1968 Arrangements allocated taxing rights over profits from international traffic based on the place of effective management of the enterprise. Provisions relating to the operation of boats operated on inland waterways have also been deleted as they are unlikely to be relevant in the context of relations between the United Kingdom and Luxembourg.

7.16 Article 9 (Associated enterprises) governs the evaluation for tax purposes of transfers of goods, services, finance and intangible property between associated enterprises. It is based on the arm's length principle, which requires such transfers to be evaluated as if they had taken place between independent enterprises. Where an adjustment is made to the profits of an enterprise by one territory, the other territory will make an appropriate adjustment to the amount of tax charged on those profits, in order to relieve the double taxation which might otherwise arise as a result of an adjustment by

only one territory. The Article replicates both the OECD Model and the equivalent provision in the 1968 Arrangements as modified by the BEPS MLI.

7.17 Article 10 (Dividends) contains the rules for the taxation of dividends paid by a company that is a resident of one territory to a resident of the other territory. In line with United Kingdom preferences, it departs from the OECD Model by providing that dividends paid by a company resident in one territory to a beneficial owner resident in the other territory to be exempt from tax in the paying territory. However, dividends paid by Real Estate Investment Trusts will be subject to a withholding tax of 15%. The definition of dividends in the Article differs slightly from the OECD Model by excluding instruments not found under the domestic law of either territory and in the manner in which it aligns the definition with income categorisation under domestic law. In other respects, the provisions of the Article follow the OECD Model. The 1968 Arrangements permitted Luxembourg to tax dividends paid to United Kingdom residents at rates of either 5% or 15%.

7.18 Article 11 (Interest) contains the rules for the taxation of interest arising in one territory and paid to a resident of the other territory. Like the 1968 Arrangements, and in line with United Kingdom preferences, the provision in the 2022 Arrangements provides that interest arising in one territory and beneficially owned by a resident of the other territory shall be taxable only in that other territory. The definition of interest is updated from that in the 1968 Arrangements in line with the OECD Model and also to reflect the United Kingdom preference for clarifying that it does not apply to amounts that are within the definition of a dividend in Article 10. Unlike the OECD Model and the 1968 Arrangements, the "special relationship" provision at paragraph 4 applies where the amount of interest paid is excessive "for whatever reason". This permits the territories to take into account both the rate of the interest and the amount of the debt in determining whether interest paid is excessive. In other respects, the Article follows the OECD Model.

7.19 Article 12 (Royalties) contains the rules for the taxation of royalties paid by a resident of one territory to a resident of the other territory. In line with the OECD Model and United Kingdom preferences, it provides that royalties arising in one territory and beneficially owned by a resident of the other territory shall be taxable only in that other territory. The 1968 Arrangements permitted the territory in which the royalties arose to be taxed at a rate not exceeding 5%. The definition of royalties is updated to reflect the OECD Model and excludes the reference to payments for the right to use equipment found in the 1968 Arrangements. Unlike the OECD Model, the "special relationship" provision at paragraph 4 applies where the amount of royalties paid are excessive "for whatever reason". This allows the territories to consider all factors in determining whether royalties paid are excessive. In other respects, the Article follows the OECD Model.

7.20 Article 13 (Capital gains) contains the rules for the taxation of gains deriving from the alienation of property situated in one territory by a resident of the other. Unlike the 1968 Arrangements, the Article includes a "securitised land provision", which allows a territory to tax a disposal of shares or comparable interests where those shares or interests derive more than 50% of their value from immovable property in that territory. Unlike the "securitised land provision" in the OECD Model, the provision in the Article does not include a 365-day holding test. The Government believes that the holding test could lead to double taxation and is unnecessary due to the introduction of the anti-abuse rule at Article 28 of the 2022 Arrangements. The Article also

replicates a provision of the 1968 Arrangements confirming the United Kingdom's right to tax gains on certain assets connected with the oil and gas industry. In other respects, the Article follows the OECD Model.

7.21 Article 14 (Employment income) contains the rules for the taxation of employment income. Paragraphs 1 and 2 replicate the OECD Model and are also in line with the allocation of taxing rights under the 1968 Arrangements. The provision at paragraph 3 reflects Luxembourg's preference for a taxing right to be granted to the territory of residence of the operator of ships or aircraft in international traffic.

7.22 Article 15 (Directors' fees) follows the OECD Model and the 1968 Arrangements and provides that directors' fees may be taxed in the territory of which the company paying them is a resident.

7.23 Article 16 (Entertainers and sportspersons) contains the rules for the taxation of income derived from personal activities as an entertainer or sportsperson. The provisions of the 1968 Arrangements are updated in line with the current OECD Model.

7.24 Article 17 (Pensions) contains the rules for the taxation of pensions. Paragraph 1 provides that all pensions, other than those in respect of government service, may be taxed in the territory from which they are paid. Notwithstanding that general rule, paragraph 2 provides that certain pensions arising in Luxembourg will be taxable only in Luxembourg. These two rules reflect the differing taxation of pensions in both territories. Unlike in the United Kingdom, since 2009 no tax relief has been given for contributions to a pension scheme in Luxembourg. Where this is the case, paragraph 2 ensures that a United Kingdom resident in receipt of a Luxembourg pension will not be effectively taxed twice on their contributions. Under the provisions of the 1968 Arrangements, all pensions other than social security pensions were taxable only in the territory in which the recipient was resident.

7.25 Article 18 (Government service) contains rules for the taxation of remuneration paid in respect of government service. The provisions are generally in line with the OECD Model, although subparagraph 1(b) is amended to ensure that the remuneration of locally engaged staff in the United Kingdom will not be exempt from tax in both territories. Under the 1968 Arrangements, all remuneration and pensions paid in respect of services rendered to a government were taxable only in the paying territory. Under the provisions of the 2022 Arrangements:

- remuneration other than pensions paid to nationals of the other territory or to locally engaged staff; and
- pensions paid to nationals of the other territory

are generally taxable only in the territory of residence.

7.26 Article 19 (Students) contains the rules which govern the taxation of visiting students and business apprentices. Its provisions follow the OECD Model and are in line with the provisions of the 1968 Arrangements.

7.27 Article 20 (Other income) contains the rules for the taxation of income not dealt with elsewhere in the 2022 Arrangements. In line with United Kingdom preferences, there are some deviations from the OECD Model. Paragraph 1 confirms that the benefits of the Article are only due where the recipient of the income is the beneficial owner. This is in line with the equivalent condition in Articles 10, 11 and 12. Paragraph 2 clarifies the treatment of income derived through trusts and estates and confirms that

it will be taxed in accordance with the rules applying to the underlying source of the income. Paragraph 4 includes a "special relationship" provision equivalent to those found in Articles 11 and 12.

7.28 Article 21 (Capital) contains the rules which govern the taxation of capital. Although not applicable to the United Kingdom which has no taxes which would be covered by the Article, Luxembourg wished to include the provision as it does levy capital taxes.

7.29 Article 22 (Elimination of double taxation) sets out the methods by which the territories will relieve double taxation. The provisions applying to the United Kingdom generally provide for relief by way of credit, but also include provisions that exempt dividends and the profits of PEs from tax in line with domestic law. The provision applying to Luxembourg generally provides for relief by way of exemption from tax, except where it specifically provides that relief will be given by way of credit. Paragraph 2, which at Luxembourg's request applies only to the United Kingdom, removes the United Kingdom's obligation to give credit where both territories can tax the income, but Luxembourg is taxing the income solely because it is in the interest of their resident. This provision is equivalent to one found in the latest version of the OECD Model, and differs in its terms only to match the wording of the United Kingdom's provisions for double taxation relief.

7.30 Article 23 (Non-discrimination) provides that, subject to certain conditions, neither territory shall impose discriminatory taxes or connected requirements on the nationals, PEs and enterprises of the other. In line with United Kingdom preferences, paragraph 5 deals separately with personal allowances granted to United Kingdom residents and nationals, confirming that the Article does not require them to be granted to persons not resident in the United Kingdom. Paragraph 6 confirms that the provisions of the Article only to apply to the taxes covered by the 2022 Arrangements. The provisions of the Article otherwise follow those of the OECD Model.

7.31 Article 24 (Mutual agreement procedure) establishes a procedure for resolving difficulties arising from the application of the 2022 Arrangements and meets the minimum standard on improving dispute resolution agreed under Action 14 of the BEPS project. The Article includes a deadline of three years for a person to present their case to a competent authority, confirmation that mutual agreements will be implemented notwithstanding time-limits in domestic law and a provision confirming that the competent authorities may consult to eliminate double taxation in cases not covered by the Arrangements. The Article also provides for mandatory binding arbitration. Due to the modifications made to the 1968 Arrangements by the BEPS MLI, including the introduction of arbitration, the 2022 Arrangements do not materially amend the mutual agreement procedure.

7.32 Article 25 (Exchange of information) follows the latest OECD Model and provides for the exchange of certain information between the competent authorities of the two territories in compliance with international standards.

7.33 Article 26 (Assistance in the collection of taxes) is introduced to provide for the mutual assistance in the collection of tax debts between the United Kingdom and Luxembourg. Due to the separate administration of direct and indirect taxes in Luxembourg, the provisions of the Article only apply to taxes covered by the 2022 Arrangements. It otherwise follows the OECD Model. There was no equivalent provision in the 1968 Arrangements.

7.34 Article 27 (Members of diplomatic missions and consular posts) ensures that diplomatic or consular officials shall not receive less favourable treatment under the 2022 Arrangements than they are entitled to under international law or under the provisions of special agreements (such as the Vienna Convention on Diplomatic Relations). The Article follows the OECD Model.

7.35 Article 28 (Entitlement to benefits) includes the "the principal purpose test" (PPT) which denies treaty benefits to those seeking to take advantage of the provisions of the 2022 Arrangements to secure a result which is contrary to their object and purpose. The PPT is one of the elements of the minimum standard on preventing treaty abuse agreed under Action 6 of the BEPS project. A similar provision applied to the 1968 Arrangements by virtue of modifications made by the BEPS MLI.

7.36 Article 29 (Entry into force) contains the provisions governing how and when the 2022 Arrangements will enter into force and take effect and the 1968 Arrangements will cease to apply. The Article also clarifies that the Mutual Agreement Procedure and Exchange of Information provisions of the 2022 Arrangements will apply to periods prior to its entry into force. In addition, the Article preserves the benefits of the articles of the 1968 Arrangements relating to pensions, government service and teachers in defined circumstances. This ensures that individuals will not face any unforeseen hardship as the result of a change of treatment.

7.37 Article 30 (Termination) contains the provisions that govern how the 2022 Arrangements can be terminated and how that termination has effect. Its provisions follow the preferences of both jurisdictions and are in line with similar provisions in other DTAs entered into by the United Kingdom.

7.38 The Protocol contains clarificatory material relating to the Articles above and forms an integral part of the 2022 Arrangements.

7.39 Paragraph 1 clarifies which existing schemes are within the definition of "recognised pension scheme" in Luxembourg and the United Kingdom for the purposes of the relevant provisions of the 2022 Arrangements. It also allows the competent authorities to update the list if necessary.

7.40 Paragraph 2 defines the circumstances in which collective investment vehicles (CIVs) established in Luxembourg will be treated as a resident of Luxembourg for the purposes of the 2022 Arrangements. Luxembourg CIVs did not qualify as a resident under the 1968 Arrangements on the basis that they are not "liable to tax" in Luxembourg. Under the provisions of the 2022 Arrangements categories of Luxembourg CIVs listed in the Protocol provision will qualify as a resident of Luxembourg if:

a. the CIV is a regulated Undertaking for the Collective Investment in Transferable Securities fund; or

b. 75% or more of the interests in the fund are held by individuals who, if they had invested directly, would have received an equivalent DTA benefit to that claimed by the CIV.

Where less than 75% of the interests are held by individuals entitled to equivalent benefits, the income of the CIV will qualify for the benefits of the 2022 Arrangements in proportion to the interests that are held by individuals who are entitled to equivalent benefits. It is Luxembourg's policy to seek to confirm that their CIVs are entitled to the benefit of all of their DTAs. The compromise reflected in the Protocol provision

does this in a way that protects against tax avoidance while preserving the tax neutrality of genuine investment funds. As equivalent CIVs established in the United Kingdom are "liable to tax" within the meaning of Article 4 of the 2022 Arrangements, their entitlement to the benefits of the Arrangements does not need to be confirmed in a similar way.

7.41 Paragraph 3 clarifies how the competent authorities will apply the corporate residence tiebreaker at paragraph 4 of Article 4 of the 2022 Arrangements to both new and existing cases.

7.42 Paragraph 4 clarifies that an authorised representative of an investment fund established in the United Kingdom or Luxembourg may make a claim for treaty benefits under Articles 10 and 11 of the 2022 Arrangements. The paragraph also permits competent authorities to consult together to facilitate claims and resolve any doubts over eligibility.

7.43 Paragraph 5 clarifies that none of the provisions of the 2022 Arrangements will prevent Luxembourg applying its controlled foreign company rules. While Luxembourg requested the clarification for purposes of consistency with their other DTAs, in the Government's view such clarification is unnecessary, and it is not therefore extended to apply to the equivalent rules in the United Kingdom.

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union.

9. Consolidation

9.1 Consolidation is not appropriate as the 2022 Arrangements replace the 1968 Arrangements.

10. Consultation outcome

10.1 HMRC regularly consults with external interested parties, including business representatives, about the United Kingdom's network of DTAs.

11. Guidance

11.1 General guidance on the operation of the United Kingdom's double taxation agreements can be found on the HMRC pages of the gov.uk website at:

https://www.gov.uk/hmrc-internal-manuals/international-manual/intm150000

or in the Double Taxation Relief Manual at:

https://www.gov.uk/hmrc-internal-manuals/double-taxation-relief

This Manual will be updated once the 2022 Arrangements enter into force.

12. Impact

12.1 There is no, or no significant, impact on business, charities or voluntary bodies. The provisions of the 2022 Arrangements do not introduce new tax burdens; rather, they ensure that relief from United Kingdom tax under the arrangements is only granted in circumstances where it was intended.

12.2 There is no, or no significant, impact on the public sector.

12.3 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.

13. Regulating small business

13.1 The legislation applies to activities that are undertaken by small businesses.

13.2 No specific steps are proposed to minimise the impact of the requirements on small businesses (employing up to 50 people).

13.3 The basis for the final decision on what action to take to assist small businesses is that the DTA only applies if they have taxed income arising in Luxembourg. As with other businesses, the impact is negligible. No special approach for small businesses is therefore necessary.

14. Monitoring & review

14.1 The approach to monitoring of this legislation is that both Governments will keep the arrangements scheduled to the instrument under consideration to ensure that it continues to meet the policy objectives set out above in Section 7.

14.2 The instrument does not include a statutory review clause. None is required under section 28(3)(a) of the Small Business, Enterprise and Employment Act 2015 because the power by which this instrument is made is being exercised so as to make or amend provisions imposing, abolishing, or varying any tax duty, levy, or other charge or provisions in connection with such provisions.

15. Contact

15.1 Adrian Coates at HMRC Telephone: 03000 586041 or email: adrian.coates@hmrc.gov.uk can be contacted with any queries regarding the instrument.

15.2 Rachel Nixon, Deputy Director for Business, Assets and International, at HMRC can confirm that this Explanatory Memorandum meets the required standard.

15.3 The Rt Hon Lucy Frazer QC MP, Financial Secretary to the Treasury, can confirm that this Explanatory Memorandum meets the required standard.