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

DRAFT STATUTORY INSTRUMENTS

2011 No.

CAPITAL GAINS TAX

CORPORATION TAX

INCOME TAX

The Double Taxation Relief (Qatar) Order 2011

Made - - - - [day] [Month] 2011

At the Court at Buckingham Palace, the [date] day of [Month] 2011

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 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, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief (Qatar) Order 2011.

Double taxation arrangements to have effect

2. It is declared that—

(a) the arrangements specified in the Protocol set out in the Schedule to this Order, which amend the arrangements set out in the Schedule to the Double Taxation Relief and International Tax Enforcement (Qatar) Order 2010(**b**), have been made with the Government of the State of Qatar;

(b) the arrangements have been made with a view to affording relief from double taxation in relation to income tax, corporation tax, capital gains tax and taxes of a similar character imposed by the laws of Qatar; and

(**a**) 2010 c. 8.
(**b**) S.I. 2010/241.

(c) it is expedient that the arrangements should have effect.

Name
Clerk of the Privy Council

SCHEDULE

Article 2

PROTOCOL AMENDING THE 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 CAPITAL GAINS SIGNED AT LONDON ON 25 JUNE 2009

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the State of Qatar,

Desiring to amend the Agreement between the Government of the State of Qatar and the Government of the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains signed at London on 25 June 2009 (hereinafter referred to as "the Agreement"),

Have agreed as follows:

ARTICLE I

In paragraph (3)(a)(iv) of Article 11 of the Agreement, the words "by persons who are not residents of Qatar" shall be replaced by the words "by persons who are not residents of that other State".

ARTICLE II

Each of the Contracting States shall notify to the other, through diplomatic channels, the completion of the procedures required by its 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 have effect from the same date as the Agreement has effect with regard to taxes withheld at source.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed this Protocol.

DONE in duplicate at Doha on this 20th day of October 2010 in the Arabic and English languages, both texts being equally authoritative.

For the Government of the United Kingdom of Great Britain and Northern Ireland:	**For the Government of the State of Qatar:**
John Hawkins	*Moftah*

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.

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