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## EXPLANATORY NOTE

*(This note is not part of the Order)*

The Schedule to the Order contains a Convention and Protocol (“the Arrangements”) between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Oriental Republic of Uruguay dealing with the avoidance of double taxation and the prevention of fiscal evasion. The Order brings the Arrangements into effect.

The Arrangements aim to eliminate the double taxation of income and gains arising in one country and paid to residents of the other country. This is done by allocating the taxing rights that each country 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. They will take effect as follows:

- (a) in respect of Article 25 (Mutual agreement procedure) and Article 26 (Exchange of information) 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 following the date on which the Arrangements enter into force, and
- (c) in respect of other taxes, for taxable periods, years of assessment or financial years beginning on or after the first day of January next following the date on which the Arrangements enter into force.

The provisions of Article 21 (Capital) of the Arrangements will not though take effect unless both countries so agree through an exchange of diplomatic notes.

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 previously announced policy to enact a double taxation agreement.