
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to the Order contains a Protocol (“the amending Protocol”) which amends a convention between the Governments of the United Kingdom of Great Britain and Northern Ireland and the Republic of Uzbekistan dealing with the avoidance of double taxation and the prevention of fiscal evasion (“the Convention”).

The Convention was scheduled to the Double Taxation Relief (Taxes on Income) (Uzbekistan) Order 1994 (S.I. 1994/770). The Order brings the amending Protocol into effect.

The Convention aims 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. The amending Protocol continues that approach.

Article 1 provides for citation.

Article 2 makes a declaration as to the effect and content of the arrangements set out in the amending Protocol (“the Arrangements”). Amendments are made to the preamble to the Convention and the Articles of the Convention relating to personal scope, taxes covered, general definitions, resident, business profits, dividends, dependent personal services, other income, elimination of double taxation, limitation of relief, partnerships, mutual agreement procedure and exchange of information. An Article relating to assistance in the collection of taxes is added to the Convention.

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.

The Arrangements will take effect as follows:

- (a) in respect of the amendments made to Article 26 (Mutual agreement procedure) of the Convention by Article XIII of the amending Protocol, the amendments made to Article 27 (Exchange of information) of the Convention by Article XIV of the amending Protocol and Article 27A (Assistance in the collection of taxes) added to the Convention by Article XV of the amending Protocol, from the date of entry into force of the amending Protocol, 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 next following the date on which the amending Protocol enters into force,
- (c) in Uzbekistan, in respect of the other taxes, from 1st January next following the date on which the amending Protocol enters into force,
- (d) in the United Kingdom, subject to paragraphs (a) and (b) above:
 - (i) in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6th April next following the date on which the amending Protocol enters into force, and
 - (ii) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which the amending Protocol enters into force.

The date of entry into force will, in due course, be published in the London, Edinburgh and Belfast Gazettes.

Draft Legislation: *This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Double Taxation Relief and International Tax Enforcement (Uzbekistan) Order 2018 No. 628*

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.