

EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains a Convention and Protocol (“the Arrangements”) between the United Kingdom and the Grand Duchy of Luxembourg in relation to the elimination of double taxation with respect to taxes on income and on capital, the prevention of tax evasion and avoidance, and assisting international tax enforcement. This Order brings the Arrangements into effect.

The Arrangements replace the Convention, in relation to taxes with effect on and after the date the Arrangements take effect, between the United Kingdom and the Grand Duchy of Luxembourg signed at London on 24th May 1967, as amended by the first Protocol signed at London on 18th July 1978, the second Protocol signed at London on 28th January 1983, and the third Protocol and accompanying exchange of letters signed at London on 2nd July 2009.

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 by providing relief from double taxation. There are also specific measures which combat discriminatory tax treatment and provide for assistance in international tax enforcement.

In this Order, article 1 provides for citation and 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 and will take effect in each territory in accordance with paragraphs 1 and 3 of Article 29 of the Convention.

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 double taxation agreement. Double taxation agreements impose no obligations on taxpayers, rather they seek to eliminate double taxation and fiscal evasion.