

EXPLANATORY NOTE

Article IV of the double death duties Convention with France which is scheduled to this Order provides a code of rules for determining the situs of the categories of property which may pass on the death of a person who dies domiciled in either country. The code of rules does not apply where the effect of applying it would be to bring within either country's charge to duty property which apart from the code would be outside the charge of the country in question (paragraph 2 of Article III).

In some cases the situs code will of itself eliminate double taxation; e.g., a debt due in France to a person who died domiciled in Great Britain but not domiciled in France will be chargeable only to British duty. Where duty remains chargeable by both countries Article VI provides for a credit to be given by the country in which the deceased died domiciled for the tax charged by the other country. In cases where the deceased was domiciled in both countries, a formula is to be applied to determine in which country he is to be deemed to have been domiciled for the purposes of the Convention (paragraph (3)(b) of Article II).

Provision is made in Article VIII for the exchange of information between the taxation authorities of the two countries.

The Convention applies to the estate duty (separate from the British estate duty) which is imposed in Northern Ireland.

The Convention when it comes into force will be effective as regards the estates of persons who die on or after the date of its signature.