

SCHEDULE

PART I

CONVENTION BETWEEN THE KINGDOM OF THE NETHERLANDS IN RESPECT OF ARUBA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND CONCERNING THE AUTOMATIC EXCHANGE OF INFORMATION ABOUT SAVINGS INCOME IN THE FORM OF INTEREST PAYMENTS

The Government of the Kingdom of the Netherlands in respect of Aruba and the United Kingdom of Great Britain and Northern Ireland, desiring to conclude a Convention which enables savings income in the form of interest payments made in one of the Contracting States to beneficial owners who are individuals resident in the other Contracting State, to be made subject to effective taxation in accordance with the laws of the latter Contracting State, in conformity with Directive [2003/48/EC](#) of the Council of the European Union of 3 June 2003(1) on taxation of savings income in the form of interest payments, have agreed as follows:

ARTICLE 1

General Scope

(1) This Convention shall apply to interest paid by a paying agent established within the territory of one of the Contracting States with a view to enable savings income in the form of interest payments made in one Contracting State to beneficial owners who are individuals resident for tax purposes in the other Contracting State to be made subject to effective taxation in accordance with the laws of the latter Contracting State.

(2) The scope of this Convention shall be limited to taxation of savings income in the form of interest payments on debt claims, to the exclusion, inter alia, of the issues relating to the taxation of pension and insurance benefits.

(3) As regards the Kingdom of the Netherlands, this Agreement shall apply only to Aruba.

ARTICLE 2

Definitions

(1) For the purposes of this Convention, unless the context otherwise requires:

- (a) the term “a Contracting State” and “the other Contracting State” mean the Kingdom of the Netherlands in respect of Aruba or the United Kingdom of Great Britain and Northern Ireland as the context requires;
- (b) the term “Aruba” means: that part of the Kingdom of the Netherlands that is situated in the Caribbean area and consisting of the Island Aruba;
- (c) the “contracting party” being a Member State of the European Union means: the United Kingdom of Great Britain and Northern Ireland;
- (d) the term “Directive” means Directive [2003/48/EC](#) of the Council of the European Union of 3 June 2003 on taxation of savings income in the form of interest payments, as applicable at the date of signing this Convention;
- (e) the term “beneficial owner” means the beneficial owner according to Article 2 of the Directive;

(1) OJNo. L157, 26.06.2003, p. 38.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (f) the term “paying agent” means the paying agent according to Article 4 of the Directive;
 - (g) the term “competent authority” means:
 - (i) in the case of Aruba: “The Minister of Finance or his authorised representative”.
 - (ii) in the case of the United Kingdom of Great Britain and Northern Ireland: the competent authority of that State according to Article 5 of the Directive;
 - (h) the term “interest payment” means the interest payment according to article 6, due account being taken of Article 15, of the Directive;
 - (i) any term not otherwise defined herein shall have the meaning given to it in the Directive.
- (2) For the purposes of this Convention, in the provisions of the Directive to which this Convention refers, instead of “Member States” has to be read: Contracting States.

ARTICLE 3

Identity and residence of beneficial owners

Each Contracting State shall, within its territory, adopt and ensure the application of the procedures necessary to allow the paying agent to identify the beneficial owners and their residence for the purpose of Article 4. These procedures shall comply with the minimum standards established in Article 3, paragraph 2 and 3 of the Directive, with the provision that in regard to Aruba, in relation to subparagraphs 2.a) and 3.a) of that Article, the identity and residence of the Beneficial Owner shall be established on the basis of the information which is available to the Paying Agent by virtue of the application of the relevant provisions of Aruban law and regulations.

ARTICLE 4

Automatic exchange of information

- (1) The competent authority of the Contracting State where the paying agent is established, shall communicate the information referred to in Article 8 of the Directive to the competent authority of the other Contracting State of residence of the beneficial owner.
- (2) The communication of information shall be automatic and shall take place at least once a year, within six months following the end of the tax year of the Contracting State of the paying agent, for all interest payments made during that year.
- (3) Information exchange under this Convention shall be treated by the Contracting States in a manner consistent with the provisions as set out in Article 7 of Directive [77/799/EEC](#).

ARTICLE 5

Transposition

Before 1 January 2005 the Contracting States shall adopt and publish the laws, regulations and administrative provisions necessary to comply with this Convention.

ARTICLE 6

Annex

The texts of the Directive⁽²⁾ and of Article 7 of Directive [77/799/EEC](#) of the Council of the European Union of 19 December, 1977⁽³⁾ concerning mutual assistance by the competent authorities of the Member States in the field of direct and indirect taxation, as applicable at the date of signing this Convention and to which this Convention refers, are appended as an Annex to, and form an integral part of, this Convention. The text of Article 7 of Directive [77/799/EEC](#) in this annex shall be replaced

(2) Not reproduced. Copies of the Directive are available on the Commission web site <http://europa.eu.int/comm/index-en.htm> or on the Inland Revenue web site at <http://www.hmrc.gov.uk/esd-guidance/index.htm>.

(3) The text as in force at the time of the making of this Agreement is set out below.

by the text of the said Article in the revised Directive [77/799/EEC](#) if this revised Directive enters into force before the date from which the provisions of this Convention shall take effect.

ARTICLE 7

Entry Into Force

This Convention shall enter into force on the thirtieth day after the latter of the dates on which the respective Governments have notified each other in writing that the formalities constitutionally required in their respective States have been complied with, and its provisions shall have effect from the date from which the Directive is applicable according to Article 17, paragraph 2 and 3, of the Directive.

ARTICLE 8

Termination

This Convention shall remain in force until terminated by one of the Contracting States. Either State may terminate the Convention, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year after the expiration of a period of three years from the date of its entry into force. In such event the Convention shall cease to have effect for periods beginning after the end of the calendar year in which the notice of termination has been given.

Done in, English and Dutch languages all texts being equally authentic. In case there is any divergence of interpretation between the different language versions of the texts, the English text shall prevail.

For the United Kingdom of the Great Britain
and Northern Ireland:

John Grant

For the Kingdom of the Netherlands in respect
of Aruba

A.A. Tromp-Yarzagaray

Annex

Text of Article 7 of Directive [77/799/EEC](#) of the Council of the European Union of 19 December, 1977 concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation, certain excise duties and taxation of insurance premiums

Provisions relating to secrecy

1. All information made known to a Member State under this Directive shall be kept secret in that State in the same manner as information received under its national legislation.

In any case, such information:

- may be made available only to the persons directly involved in the assessment of the tax or in the administrative control of this assessment,
- may be made known only in connection with judicial proceedings or administrative proceedings involving sanctions undertaken with a view to, or relating to, the making or reviewing the tax assessment and only to persons who are directly involved in such proceedings; such information may, however, be disclosed during public hearings or in judgements if the competent authority of the Member State supplying the information raises no objection at the time when it first supplies the information,
- shall in no circumstances be used other than for taxation purposes or in connection with judicial proceedings or administrative proceedings involving sanctions undertaken with a view to, or in relation to, the making or reviewing of the tax assessment.

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In addition, Member States may provide for the information referred to in the first subparagraph to be used for assessment of other levies, duties and taxes covered by Article 2 of Directive [76/308/EEC](#)(4).

2. Paragraph 1 shall not oblige a Member State whose legislation or administrative practice lays down, for domestic purposes, narrower limits than those contained in the provisions of that paragraph, to provide information if the State concerned does not undertake to respect those narrower limits.

3. Notwithstanding paragraph 1, the competent authorities of the Member State providing the information may permit it to be used for other purposes in the requesting State, if, under the legislation of the informing State, the information could, in similar circumstances, be used in the informing State for similar purposes.

4. Where a competent authority of a Member State considers that information which it has received from the competent authority of another Member State is likely to be useful to the competent authority of a third Member State, it may transmit it to the latter competent authority with the agreement of the competent authority which supplied the information.

(4) OJ No. L73, 19.03.1976, p. 18.