
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to the Order contains an Agreement (“the Arrangements”) between the United Kingdom of Great Britain and Northern Ireland and 77 other jurisdictions to implement tax treaty related measures to prevent base erosion and profit shifting. The Order brings the Arrangements into effect.

The Arrangements aim to prevent base erosion and profit shifting through the abuse of tax treaties. This is done by modifying tax treaties between the signatories in order to implement recommendations resulting from the OECD/G20 Base Erosion and Profit Shifting project.

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 first day of the month following the expiration of a period of three calendar months beginning on the date of deposit of the fifth instrument of ratification, acceptance or approval. For each Signatory ratifying, accepting, or approving the Arrangements after the deposit of the fifth instrument of ratification, acceptance or approval, the Arrangements shall enter into force on the first day of the month following the expiration of a period of three calendar months beginning on the date of the deposit by such Signatory of its instrument of ratification, acceptance or approval.

The Arrangements will take effect in accordance with the provisions of Article 35 of the Arrangements.

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