
STATUTORY INSTRUMENTS

2023 No. 348

TAXES

The International Organisations (Tax Exemptions Designation) Order 2023

Made - - - - *21st March 2023*

The Treasury, in exercise of the powers conferred by section 126(1) of the Finance Act 1984⁽¹⁾, section 265(1) of the Taxation of Chargeable Gains Act 1992⁽²⁾, section 73A(1) of the Finance Act 2004⁽³⁾, section 774(5) of the Income Tax (Trading and Other Income) Act 2005⁽⁴⁾ and section 979(1) of the Income Tax Act 2007⁽⁵⁾, make the following Order:

Citation

1. This Order may be cited as the International Organisations (Tax Exemptions Designation) Order 2023.

Designation of international organisations

2.—(1) The international organisations specified in paragraph (3)(a) are designated for the purposes of—

- (a) section 126 of the Finance Act 1984,
- (b) section 265 of the Taxation of Chargeable Gains Act 1992, and
- (c) section 774 of the Income Tax (Trading and Other Income) Act 2005.

(2) The international organisations specified in paragraph (3)(b) and (3)(c) are designated for the purposes of section 979 of the Income Tax Act 2007.

(3) The international organisations are—

- (a) the Caribbean Development Bank, established by an agreement dated 18 October 1969⁽⁶⁾,

(1) 1984 c. 43; section 126 was amended by section 96 of the Finance Act 1985 (c. 54), section 844 of and Schedule 31 to the Income and Corporation Taxes Act 1988 (c. 1), section 114(1), section 132 of and Part VI of Schedule 19 to the Finance Act 1990 (c. 29), paragraph 1 of Schedule 12 to the Taxation of Chargeable Gains Act 1992 (c. 12), paragraph 4 of Schedule 16 to the Finance Act 1999 (c. 16) and article 4(1) of the Treaty of Lisbon (Changes in Terminology) Order 2011 (S.I. 2011/1043).

(2) 1992 c. 12; section 265 was amended by paragraph 3(2) of Schedule 4 to Finance (No. 2) Act 2005 (c. 22).

(3) 2004 c. 12; section 73A inserted by paragraph 461 of Schedule 1 to the Income Tax Act 2007 (c. 3).

(4) 2005 c. 5; section 774 was amended by article 4(1) of the Treaty of Lisbon (Changes in Terminology) Order 2011.

(5) 2007 c. 3.

(6) Cmnd 4358.

- (b) the Asian Infrastructure Investment Bank, established by an agreement dated 29th June 2015⁽⁷⁾, and
 - (c) the Inter-American Investment Corporation, established by an agreement dated 19th November 1984⁽⁸⁾.
- (4) The European Bank for Reconstruction and Development, established by an agreement dated 29th May 1990⁽⁹⁾, is designated for the purposes of section 73A of the Finance Act 2004.

Andrew Stephenson
Scott Mann

Two of the Lords Commissioners of Her
Majesty's Treasury

21st March 2023

⁽⁷⁾ Cm 9198.
⁽⁸⁾ Cm 9659.
⁽⁹⁾ Cm 1670.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the limited exemptions from income tax, capital gains tax, inheritance tax, stamp duty and stamp duty reserve tax contained in section 126 of the Finance Act 1984, section 265 of the Taxation of Chargeable Gains Act 1992 and section 774 of the Income Tax (Trading and Other Income) Act 2005 to be given in respect of securities issued by the Caribbean Development Bank, Asian Infrastructure Investment Bank, and Inter-American Investment Corporation, international organisations of which the United Kingdom is a member. These exemptions are conferred in accordance with international law obligations under:

(1) Article 55(6) of the Agreement establishing the Caribbean Development Bank (Cmnd 4358), done at Kingston, Jamaica on 18th October 1969 and which entered into force for the United Kingdom on 26th January 1970,

(2) Article 51(3) of the Agreement establishing the Asian Infrastructure Investment Bank (Cm 9198), done at Beijing on 29th June 2015 and which entered into force for the United Kingdom on 25th December 2015, and

(3) section 9(c) of Article VII of the Agreement establishing the Inter-American Investment Corporation (Cm 9659), done at Washington DC on 19th November 1984 and which entered into force for the United Kingdom on 1st March 2023.

This Order also provides for the exemption from obligations to deduct amounts representing income tax in section 979 Income Tax Act 2007 to be given in respect of securities issued by the Asian Infrastructure Investment Bank and the Inter-American Investment Corporation. These exemptions are conferred in accordance with:

(1) Article 51(1) of the Agreement establishing the Asian Infrastructure Investment Bank (Cm 9198), and

(2) Section 9(a) of Article VII of the Agreement establishing the Inter-American Investment Corporation (Cm 9659).

This Order also provides for the exemption from the obligation to deduct tax under the Construction Industry Scheme in section 73A Finance Act 2004 to be given in respect of the European Bank for Reconstruction and Development. This exemption is conferred in accordance with Article 53(7) of the Agreement establishing the European Bank for Reconstruction and Development (Cm 1670), done at Paris on 29th May 1990 and which entered into force for the United Kingdom on 28th March 1991.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy.