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STATUTORY INSTRUMENTS

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**2013 No. 3143**

**CAPITAL GAINS TAX  
CORPORATION TAX  
INCOME TAX**

**The Double Taxation Relief (Netherlands) Order 2013**

*Made - - - - 11th December 2013*

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010<sup>(1)</sup> and approved by a resolution of that House.

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010, by and with the advice of Her Privy Council, orders as follows—

**Citation**

1. This Order may be cited as the Double Taxation Relief (Netherlands) Order 2013.

**Double taxation arrangements to have effect**

2. It is declared that—
  - (a) the arrangements specified in the Protocol set out in the Schedule to this Order, which amend the arrangements set out in the Schedule to the Double Taxation Relief and International Tax Enforcement (Taxes on Income and Capital) (Netherlands) Order 2009<sup>(2)</sup>, have been made with the Government of the Kingdom of the Netherlands;
  - (b) the arrangements have been made with a view to affording relief from double taxation in relation to capital gains tax, corporation tax, income tax and taxes of a similar character imposed by the laws of the Kingdom of the Netherlands; and
  - (c) it is expedient that those arrangements should have effect.

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(1) 2010 c. 8.  
(2) S. I. 2009/227.

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**Status:** This is the original version (as it was originally made).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

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*Richard Tilbrook*  
Clerk of the Privy Council

SCHEDULE

Article 2

**PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE NETHERLANDS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION IN RELATION TO TAXES ON INCOME AND ON CAPITAL GAINS**

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of the Netherlands,

Desiring to conclude a Protocol to amend the Convention between the United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion in relation to taxes on income and on capital gains, with Protocol, signed at The Hague on 12 October 1995 (hereinafter referred to as “the Convention”),

Have agreed as follows:

**ARTICLE 1**

Article 7 of the Convention shall be deleted and replaced by the following:

**“Article 7**

**Business Profits**

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

The Schedule to this Order contains a Protocol (“the Protocol”) which amends a convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains (“the Convention”). The Convention was scheduled to the Double Taxation Relief and International Tax Enforcement (Taxes on Income and Capital) (Netherlands) Order 2009 (S.I. 2009/227). This Order brings the Protocol into effect.

The Convention aims to eliminate the double taxation of income or gains arising in one country and paid to residents of the other country. It does this by allocating the taxing rights that each country has under its domestic law over the same income and gains, and/or by providing relief from double taxation. It also has specific measures which combat discriminatory tax treatment and provide for assistance in international tax enforcement. The Protocol continues this approach.

The Protocol replaces Article 7 (Business Profits) of the Convention to bring it into line with the latest approach of the Organisation for Economic Cooperation and Development (OECD) as set out in its Model Tax Convention on Income and on Capital. Article 18 is amended to ensure the effective taxation of government service income.

Article 1 provides for citation.

Article 2 makes a declaration as to the effect and content of the Arrangements.

The Protocol will enter into force on the last day of the month following that in which the later of the notifications by each country of the completion of its legislative procedures is received. It will take effect:

- (a) in the United Kingdom:
  - (i) in respect of income tax and capital gains tax, for any year of assessment beginning on or after 6th April next following the date of entry into force;
  - (ii) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date of entry into force; and
- (b) in the Netherlands, for taxable years and periods beginning on or after 1st January next following the date of entry into force.

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 this Order as it gives effect to a previously announced policy to enact a double taxation agreement.