STATUTORY INSTRUMENTS

# 1967 No. 1490

# INCOME TAX

## The Double Taxation Relief (Taxes on Income) (South West Africa) Order 1967

*Laid before the House of Commons in draft*

*Made* - - - - - 10*th October* 1967

At the Court at Balmoral, the 10th day of October 1967

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the Commons House of Parliament in accordance with the provisions of section 347(6) of the Income Tax Act 1952(a), and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of this Order:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by section 347(1) of the said Income Tax Act 1952, as amended by section 64 of the Finance Act 1965(b), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

**1.** This Order may be cited as the Double Taxation Relief (Taxes on Income) (South West Africa) Order 1967.

**2.** It is hereby declared—

(*a*) that the arrangements (varying the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (South Africa) Order 1962(c) as extended with modifications to South West Africa by the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (South West Africa) Order 1962(d)) specified in the Schedule to this Order for the extension to South West Africa of the arrangements specified in the Protocol between the Government of the United Kingdom and the Government of the Republic of South Africa which was signed at Cape Town on 14th June, 1967, have been made with the Government of the Republic of South Africa with a view to affording relief from double taxation in relation to income tax or corporation tax and taxes of a similar character imposed by the laws of South West Africa; and

(*b*) that it is expedient that these arrangements should have effect.

*N. E. Leigh.*

(a) 15 & 16 Geo. 6 & 1 Eliz. 2 c. 10.
(b) 1965 c. 25.
(c) S.I. 1962/2352 (1962 III, p. 3264).
(d) S.I. 1962/2788 (1962 III, p. 3998).

## SCHEDULE

1. The provisions of the Protocol signed at Cape Town on 14th June, 1967 amending Article XX of the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at Cape Town on the 28th May, 1962, shall also apply to the Convention as extended with modifications to South West Africa in accordance with Notes which were exchanged between the Contracting Parties on 8th August, 1962, as if

(i) in the said Protocol any reference to " South Africa " were a reference to " the territory of South West Africa ", and

(ii) in the said Protocol any reference to " South African tax " were a reference to the taxes which are levied in the territory of South West Africa and to which the said Convention as extended as aforesaid applies.

2. The extension of the Protocol hereby effected shall enter into force when each of the Governments shall have notified in writing to the other Government that the necessary measures have been taken on its side to give this extension the force of law and if such notifications are not given on the same date, on the date of later notification.

## EXPLANATORY NOTE

*(This Note is not part of the Order.)*

The Convention between the United Kingdom and South Africa which is scheduled to the Double Taxation Relief (Taxes on Income) (South Africa) Order 1962 (S.I. 1962/2352) is extended to South West Africa by the Double Taxation Relief (Taxes on Income) (South West Africa) Order 1962 (S.I. 1962/2788).

Article XX of the Convention has been modified by the Protocol between the United Kingdom and South Africa which was signed on 14th June, 1967 and this Order gives effect, in accordance with Notes which were exchanged between the Contracting Parties on 14th June, 1967, to a similar modification in the extension to South West Africa.

Paragraph (1) of Article XX of the Convention as extended to South West Africa provides that where an ordinary dividend is received from a South West African company by a United Kingdom resident, credit is to be given for the South West African tax borne by the company on the profits out of which it is paid. This Order secures that credit for South West African tax on the profits out of which the dividend is paid shall in future be given only where the dividend is received by a United Kingdom company which controls not less than one-tenth of the voting power in the South West African company paying the dividend.