STATUTORY INSTRUMENTS

1967 No. 164

INCOME TAX

The Double Taxation Relief (Taxes on Income) (Finland) Order 1967

Laid before the House of Commons in draft

Made - - - - 10th February 1967

At the Court at Buckingham Palace, the 10th day of February 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 subsection (6) of section 347 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 subsection (1) of the said section 347, 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) (Finland) Order 1967.

2. It is hereby declared—

(*a*) that the arrangements specified in the Protocol set out in the Schedule to this Order have been made with the Government of the Republic of Finland 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 Finland varying the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Finland) Order 1953(c); and

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

W. G. Agnew.

SCHEDULE

PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME, SIGNED AT LONDON ON THE 12TH DECEMBER, 1951

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

Desiring to conclude a Protocol to amend the Convention between the Contracting Parties for the Avoidance of Double Taxation and the Prevention of

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10. (b) 1965 c. 25. (c) S.I. 1953/191 (1953 I, p. 852).

Fiscal Evasion with respect to Taxes on Income, signed at London on the 12th December, 1951 (hereinafter referred to as " the Convention ");

Have agreed as follows:

ARTICLE I

The second sentence of paragraph (2) of Article XIX of the Convention (which sentence begins with the words " Where such income is an ordinary dividend " and ends with the words " the dividend exceeds that fixed rate ") shall be deleted and the following substituted:

" Where such income is a dividend paid by a company resident in Finland to a company resident in the United Kingdom which controls directly or indirectly not less than one-tenth of the voting power in the former company, the credit shall take into account (in addition to any Finnish tax payable in respect of the dividend) the Finnish tax payable by that former company in respect of its profits."

ARTICLE II

(1) This Protocol shall be ratified and the instruments of ratification shall be exchanged at Helsinki as soon as possible.

(2) This Protocol shall enter into force after the expiration of a month following the date on which the instruments of ratification are exchanged(a) and shall thereupon have effect in relation only to dividends payable on or after 6th April, 1966 or on or after the date of entry into force of this Protocol (whichever is the later) and, in relation to such dividends, shall be regarded as an integral part of the Convention.

In witness whereof the undersigned, duly authorised thereto, have signed this Protocol.

Done in duplicate at London this 16th day of June, 1966, in the English and Finnish languages, both texts being equally authoritative.

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

WALTER PADLEY.

For the Government of the Republic of Finland:

LEO TUOMINEN.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Paragraph (2) of Article XIX of the Convention between the United Kingdom and Finland which is scheduled to the Double Taxation Relief (Taxes on Income) (Finland) Order 1953 provides that where an ordinary dividend is received from a Finnish company by a United Kingdom resident, credit is to be given for the Finnish tax borne by the company on the profits out of which it is paid. The Protocol provides that credit for the Finnish 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 Finnish company paying the dividend.

The Protocol is expressed to take effect in relation to dividends payable on or after 6th April 1966 or on or after the date of entry into force of this Protocol, whichever is the later.

(a) Instruments of ratification were exchanged on 18th January 1967.