STATUTORY INSTRUMENTS

1973 No. 1331

INCOME TAX

The Double Taxation Relief (Corporation Tax) (Republic of Ireland) Order 1973

Laid before the House of Commons in draft

Made - - - - *27th July* 1973

At the Court at Buckingham Palace, the 27th day of July 1973

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 497(8) of the Income and Corporation Taxes Act 1970(**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 497 of the said Income and Corporation Taxes Act 1970, 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 (Corporation Tax) (Republic of Ireland) Order 1973.

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 Ireland with a view to affording relief from double taxation in relation to corporation tax and taxes of a similar character imposed by the laws of the Republic of Ireland varying the arrangements set out in the Schedule to the Double Taxation Relief (Profits Tax) (Republic of Ireland) Order 1949(**b**);

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

W. G. Agnew.

SCHEDULE

PROTOCOL BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF IRELAND AMENDING THE AGREEMENT FOR THE RECIPROCAL RELIEF OF DOUBLE TAXATION IN RESPECT OF UNITED KINGDOM PROFITS TAX AND IRISH CORPORATION PROFITS TAX, SIGNED ON 18 MAY 1949.

(**a**) 1970 c. 10.

(**b**) S.I. 1949/1434 (1949 I, p. 3536).

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

Desiring to conclude a Protocol to amend the Agreement between the Contracting Parties for the reciprocal relief of double taxation in respect of United Kingdom Profits Tax and Irish Corporation Profits Tax, signed on 18 May 1949 (hereinafter referred to as "the Agreement");
Have agreed as follows:

ARTICLE 1

In Article VII(1) and (2) of the Agreement for the words "beneficially owns, directly or indirectly, not less than three quarters of the ordinary share capital of" there shall be substituted the words "controls, directly or indirectly, not less than 10 per cent of the voting power in".

ARTICLE 2

This Protocol, which shall form an integral part of the Agreement, shall come into force when the last of all such things shall have been done in the United Kingdom and the Republic of Ireland as are necessary to give the Protocol the force of law in the United Kingdom and the Republic of Ireland respectively, and shall thereupon have effect in respect of dividends paid on or after 6 April 1973.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Protocol.

Done in two originals at London this 2nd day of May, 1973.

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

For the Government of the Republic of Ireland:
DONAL O'SULLIVAN.

EXPLANATORY NOTE

(This Note is not part of the Order.)

The Protocol scheduled to this Order amends Article VII(1) and (2) of the Profits Tax Agreement with the Republic of Ireland signed on 18th May 1949 in so far as it relates to double taxation relief in respect of dividends paid by a company which is a resident of one of the countries to a company which is a resident of the other country. The Protocol provides that where the latter company controls, directly or indirectly, not less than 10 per cent of the voting power in the paying company, the credit allowed by the latter country shall take into account the tax payable by the paying company in the former country in respect of its profits. The corresponding requirement in the 1949 Agreement is that the latter company beneficially owns, directly or indirectly, not less than three-quarters of the ordinary share capital of the paying company.

The Protocol is expressed to take effect in relation to dividends paid on or after 6th April 1973.

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