
STATUTORY INSTRUMENTS

2013 No. 3144

**CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX**

**The Double Taxation Relief and International
Tax Enforcement (Norway) 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⁽¹⁾ and section 173(7) of the Finance Act 2006⁽²⁾ 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 and section 173(1) to (3) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Norway) Order 2013.

Double taxation and international tax enforcement arrangements to have effect

2. It is declared that—
- (a) the arrangements specified in the Convention set out in the Schedule to this Order have been made with the Government of the Kingdom of Norway;
 - (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 Norway and for the purposes of assisting international tax enforcement; and
 - (c) it is expedient that those arrangements should have effect.

(1) 2010 c. 8.
(2) 2006 c. 25.

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Richard Tilbrook
Clerk of the Privy Council

SCHEDULE

Article 2

b) in the case of the United Kingdom:

(i) the income tax;

(ii) the corporation tax;

(iii) the capital gains tax;

(hereinafter referred to as “United Kingdom tax”)

4. For the purposes of paragraph 1 of Article 25, the petroleum revenue tax and the supplementary charge in respect of petroleum revenue tax shall be treated as United Kingdom tax.

5. The Convention shall apply also to any identical or similar taxes imposed after the date of signature of the Convention. The competent authorities of the Contracting States shall notify each other of any changes that have been made in their taxation laws.

Article 3

General Definitions

1. For the purposes of this Convention, unless the context otherwise requires:

a) the term “Norway” means the Kingdom of Norway, including its internal waters, the territorial sea and the air space above the territory of the Kingdom of Norway, according to Norwegian law and international law, may exercise her rights with respect to her natural resources; the term does not comprise the dependencies (“*biland*”):

- (i) in Norway, the Minister of Finance or the M
 - (ii) in the United Kingdom, the Commissioners or their authorised representative;
- j) the term “national” means:
 - (i) in relation to Norway:

any individual possessing the nationality or citizenship of Norway; or any partnership or association deriving its status from the laws in force in Norway;
 - (ii) in relation to the United Kingdom:

any British citizen, or any British subject not domiciled in a Commonwealth country or territory, provided that he is domiciled in the United Kingdom; and any legal person, partnership or association deriving its status from the laws in force in the United Kingdom;
- k) the term “business” includes the performance of any trade, profession or other activities of an independent character;
- l) the term “pension scheme” means any scheme or arrangement established by or on behalf of the State which operates to administer or provide for the payment of income for the benefit of one or more such arrangements:
 - (i) in the case of the United Kingdom, is generally a pension scheme (other than a social security scheme) established by or on behalf of the State under the Finance Act 2004, including pension funds;

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containers (including trailers and related equipment for transport of goods or merchandise shall be taxable on containers or trailers and related equipment are used for other Contracting State.

3. The provisions of paragraphs 1 and 2 shall also pool, a joint business or an international operating agency

4. The provisions of paragraphs 1, 2 and 3 shall Norwegian, Danish and Swedish air transport consortium but only insofar as profits derived by SAS Norge AS proportion to its share in that organisation.

Article 9

Associated Enter

1. Where
 - a) an enterprise of a Contracting State participates control or capital of an enterprise of the other C
 - b) the same persons participate directly or indirectly an enterprise of a Contracting State and an enter

and in either case conditions are made or imposed between or financial relations which differ from those which enterprises, then any profits which would, but for those enterprises, but, by reason of those conditions, have not of that enterprise and taxed accordingly

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the royalties arise through a permanent establishment in respect of which the royalties are paid is effectively connected. In such case the provisions of Article 7 shall apply.

4. Where, by reason of a special relationship between both of them and some other person, the amount paid, for whatever reason, the amount which would have been agreed with an owner in the absence of such relationship, the provisions of the last-mentioned amount. In such case, the excess paid shall be determined according to the laws of each Contracting State, due regard being given to this Convention.

5. No relief shall be available under this Article where the main purposes of any person concerned with the creation of the assignment which the royalties are paid to take advantage of the provisions of this assignment.

Article 13

Capital Gains

1. Gains derived by a resident of a Contracting State from the disposal of property referred to in Article 6 and situated in the other Contracting State.

2. Gains derived by a resident of a Contracting State from the disposal of shares in which there is substantial and regular trading in the other Contracting State, deriving more than 50 per cent of their value

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Article 17

Pensions, Social Security Payments and

1. Subject to the provisions of paragraph 2 of Article 17, payments made to a person under a social security system, arising in a Contracting State, may be taxed in the first-mentioned State.
2. Notwithstanding the provisions of paragraph 1, payments made to a person under a pension scheme established in a Contracting State and another Contracting State shall be taxable only in the first-mentioned State.
3. Alimony and other maintenance payments paid to a resident of a Contracting State shall be taxable only in that State. However, alimony or other maintenance payments paid by a resident of a Contracting State to a resident of the other Contracting State shall be taxable only in that State. However, the recipient of such payments shall be entitled to deduct those payments in computing his income for that State in which he is a resident, be taxable only in that State.

Article 18

Government Services

1. a) Salaries, wages and other similar remuneration payable to a person by a political subdivision or a local authority of a Contracting State for services rendered to that State or subdivision shall be taxable only in that State.
- b) However, such salaries, wages and other

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includes one or more partners resident in a Contracting State and the other Contracting State any profits or gains derived from the said partners, only in the State of which each such

Article 24

Murchison Field Reservoir

1. The provisions of this Article shall apply to the provisions of Article 23 of the Agreement between the Governments of the United Kingdom and Norway concerning the exploitation of the Murchison Field Reservoir and the Oslo on 16th October 1979.

2. Notwithstanding any other provision of this Convention (relating to the transportation, up to and through the terminal but not from the terminal (or other hydrocarbons) from the Murchison Field Reservoir) the installations used for such transportation shall be governed by the provisions of Articles 2 and 4 as appropriate of Article 22.

Article 25

Elimination of Double Taxation

1. Subject to the provisions of the laws of Norway (relating to the avoidance of double taxation against Norwegian tax of tax payable in a territory outside Norway (in accordance with the general principle of this Article) -

a) Where a resident of Norway derives income which is also taxable in the United Kingdom under this Convention, may be taxed in the United Kingdom in respect of that income from the tax on the income of that resident, and

- c) the profits of a permanent establishment in Norway and the United Kingdom shall be exempted from United Kingdom tax if the conditions applicable and the conditions for exemption under Norwegian law are met;
 - d) in the case of a dividend not exempted from tax in Norway paid by a company which is a resident of Norway to a company which is a resident of the United Kingdom and which controls directly or indirectly the company paying the dividend, the credit for tax paid in the company also take into account the Norwegian tax payable in Norway out of which such dividend is paid.
3. For the purposes of paragraph 2, profits, income and gains of a company in the United Kingdom which may be taxed in Norway in accordance with paragraph 2 shall be deemed to arise from sources in Norway.

Article 26

Non-Discrimination

1. Nationals of a Contracting State shall not be subjected to any taxation or any requirement connected therewith, which is more burdensome than the taxation and connected requirements to which nationals of the other Contracting State, in similar circumstances, in particular with respect to residence, are subjected.
2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourable than the taxation levied on enterprises of that other State carrying on the same activities.
3. Except where the provisions of paragraph 1 of this Article apply, the taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourable than the taxation levied on enterprises of that other State carrying on the same activities.

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of its nature as such. In addition, a revenue claim accepted under paragraph 3 or 4 shall not, in that State, have any priority over the laws of the other Contracting State.

6. Proceedings with respect to the existence, validity or enforceability of a revenue claim accepted under paragraph 3 or 4 shall not be brought before the courts of the other Contracting State.

7. Where, at any time after a request has been made under paragraph 3 or 4 and before the other Contracting State has collected the relevant revenue claim or claims, the relevant revenue claim or claims shall be collected to the first-mentioned State, the relevant revenue claim or claims shall:

- a) in the case of a request under paragraph 3, a revenue claim that is enforceable under the laws of that State and which cannot, under the laws of that State, prevent its collection;
- b) in the case of a request under paragraph 4, a revenue claim in respect of which that State may, under its laws, take measures to ensure its collection.

the competent authority of the first-mentioned State shall inform the competent authority of the other State of that fact and, at the option of the competent authority of the other State, either suspend or withdraw its request.

8. In no case shall the provisions of this Article prevent the competent authority of the first-mentioned Contracting State from imposing on the other Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws of that or of the other Contracting State;

Article 31

Limitation of r

Where under any provision of this Convention income is subject to tax in Norway and also to Norwegian tax and, under the law in force in the United Kingdom, that income or that capital gain is subject to tax by reference to the source of the income or received in the United Kingdom and not by reference to the residence of the taxpayer, such income or capital gain to be allowed under this Convention in Norway shall be treated as if it were capital gain as is taxed in the United Kingdom.

Article 32

Entry into For

1. Each of the Contracting States shall notify the other of the completion of the procedures required by its law for the Convention to enter into force.
2. The Convention shall enter into force on the date on which it shall thereupon have effect:
 - a) in Norway:
 - (i) in respect of taxes on income relating to periods beginning in any such year) next to the year in which the Convention enters into force and subsequent years;
 - b) in the United Kingdom;

EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains a convention (“the Arrangements”) between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Norway dealing with the avoidance of double taxation and the prevention of fiscal evasion. This Order brings the Arrangements into effect.

The Arrangements aim to eliminate the double taxation of income and gains arising in one country and paid to residents of the other country. This is done 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. There are also specific measures which combat discriminatory tax treatment and provide for assistance in international tax enforcement.

Article 1 provides for citation.

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

The Arrangements will enter into force on the date of the later of the notifications by each country of the completion of its legislative procedures. They will take effect as follows:

- (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 Norway in respect of taxes on income for any calendar year next following the date of entry into force.

Until such time as the Arrangements enter into force the Convention set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Norway) Order 2000 ([S.I. 2000/3247](#)) continues to have effect.

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.