STATUTORY INSTRUMENTS

2015 No. 1890

CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Bulgaria) Order 2015

Made - - - - 11th November 2015

At the Court at Buckingham Palace, the 11th day of November 2015

Present,

The Queen's Most Excellent Majesty in Council

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 exercising 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 (Bulgaria) Order 2015.

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 Republic of Bulgaria;

(b) the arrangements have been made with a view to affording relief from double taxation in relation to capital gains tax, corporation tax and income tax and taxes of a similar

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

character imposed by the laws of the Republic of Bulgaria and for the purposes of assisting international tax enforcement; and

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

Richard Tilbrook
Clerk of the Privy Council

SCHEDULE Article 2

CONVENTION BETWEEN THE REPUBLIC OF BULGARIA AND TH UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTI OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS

The Republic of Bulgaria and The United Kingdom of Great Britain and Northern Ireland

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains

Have agreed as follows:

CHAPTER I

SCOPE OF THE CONVENTION

Article 1

Persons Covered

This Convention shall apply to persons who are residents of one or both of the Contracting St

Article 2

Taxes Covered

1. This Convention shall apply to taxes on income and on capital gains imposed on beh a Contracting State or of its political subdivisions or local authorities, irrespective of the mann which they are levied.

2. There shall be regarded as taxes on income and on capital gains all taxes imposed on income, or on elements of income, including taxes on gains from the alienation of movable or immovable property.

3. The existing taxes to which the Convention shall apply are:

(a) in Bulgaria:

(i) the personal income tax;

(ii) the corporate income tax;

(hereinafter referred to as "Bulgarian tax");

(b) in the United Kingdom:

i) the income tax;

ii) the corporation tax; and

iii) the capital gains tax;

(hereinafter referred to as "United Kingdom tax").

4. The Convention shall apply also to any identical or substantially similar taxes that ar imposed after the date of signature of the Convention in addition to, or in place of, the existin taxes. The competent authorities of the Contracting States shall notify each other of any signi changes that have been made in their taxation laws.

CHAPTER II

DEFINITIONS

Article 3

General Definitions

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

(a) the term "Bulgaria" means the Republic of Bulgaria and when used in a geographical sense means the territory and the territorial sea over which it exercises its State sovereignty, as well as the continental shelf and the exclusive economic zone over wh it exercises sovereign rights and jurisdiction in conformity with international law;

(b) the term "United Kingdom" means Great Britain and Northern Ireland but, when used geographical sense, means the territory and territorial sea of Great Britain and Northe Ireland and the areas beyond that territorial sea over which Great Britain and Norther Ireland exercise sovereign rights or jurisdiction in accordance with their domestic law international law;

(c) the terms "a Contracting State" and "the other Contracting State" mean Bulgaria or th United Kingdom as the context requires;

(d) the term "person" includes an individual, a company and any other body of persons;

(e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

(f) the term "enterprise" applies to the carrying on of any business;

(g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State an enterprise carried on by a resident of the other Contracting State;

(h) the term "international traffic" means any transport by a ship, aircraft or road transpo vehicle, except when the ship, aircraft or vehicle is operated solely between places in Contracting State by an enterprise that is not a resident of that State.

(i) the term "competent authority" means:

(i) in Bulgaria, the Minister of Finance or an authorised representative;

(ii) in the United Kingdom, the Commissioners for Her Majesty's Revenue Customs or their authorised representative;

(j) the term "national" means:

(i) in relation to Bulgaria, any individual possessing the nationality of Bulg and any legal person, partnership or association deriving its status as suc from the laws in force in Bulgaria;

(ii) in relation to the United Kingdom, any British citizen, or any British sub not possessing the citizenship of any other Commonwealth country or territory, provided he has the right of abode in the United Kingdom; and legal person, partnership or association deriving its status as such from t laws in force in the United Kingdom;

(k) the term "business" includes the performance of professional services and of other activities of an independent character;

(l) the term "pension scheme" means any plan, scheme, fund, foundation, trust or other arrangement established in a Contracting State which:

(i) is generally exempt from income taxation under the laws of that State; a

(ii) operates to administer or provide pension or retirement benefits or to ea income for the benefit of one or more such arrangements.

2. As regards the application of the provisions of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, ha the meaning that it has at that time under the laws of that State for the purposes of the taxes to which the Convention applies, any meaning under the applicable tax laws of that State prevail over a meaning given to the term under other laws of that State.

Article 4

Resident

1. For the purposes of this Convention, the term "resident of a Contracting State" means person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or any other criterion of a similar natu and also includes that State and any political subdivision or local authority thereof. This term however, does not include any person who is liable to tax in that State in respect only of incor