STATUTORY INSTRUMENTS

2015 No. 1888

CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Algeria) 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 (Algeria) 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 People's Democratic Republic of Algeria;

(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 character

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

imposed by the laws of the People's Democratic Republic of Algeria 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 GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND TH GOVERNMENT OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND TH PREVENTION OF FISCAL EVASION AND TAX FRAUD WITH RESPE TO TAXES ON INCOME AND ON CAPITAL

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Democratic Republic of Algeria;

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

Have agreed as follows:

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 imposed on behalf of Contracting State or of its political subdivisions or local authorities, irrespective of the manne which they are levied.

2. There shall be regarded as taxes on income and on capital all taxes imposed on total 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 in particular:

a) in Algeria:

i) the tax on global income;

ii) the tax on the profits of companies;

iii) the tax on professional activity; and

iv) royalties and taxes on results relating to activities of prospecting, research, exploitati and transport of hydrocarbons by way of pipelines;

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 significant 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 "Algeria" means the People's Democratic Republic of Algeria and, used in i geographical sense, it means the land territory of the People's Democratic Republic o Algeria including the air space, the territorial sea and beyond it, and the zones in whi accordance with international law and national legislation, the People's Democratic Republic of Algeria exercises its jurisdiction or sovereign rights for the purposes of exploration and exploitation of natural resources of the seabed, the sub-soil and the superjacent water;

b) the term "United Kingdom" means Great Britain and Northern Ireland but, when use 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 term "business" includes the performance of professional services and of other activities of an independent character;

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

e) the term "competent authority" means:

(i) in Algeria, the Minister in charge of finance or his authorised representa

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

f) the terms "a Contracting State" and "the other Contracting State" mean Algeria or th United Kingdom, as the context requires;

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

h) 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;

i) the term "international traffic" means any transport by a ship or aircraft, except when ship or aircraft is operated solely between places in a Contracting State and the enter that operates the ship or aircraft is not an enterprise of that State;

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

k) the term "national" means:

(i) in relation to Algeria, an individual possessing the citizenship of Algeria any legal person, partnership or association deriving its status as such fr the laws in force in Algeria; and

(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.

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

ARTICLE 4

Resident

1. For the purposes of this Convention, the term "resident of a Contracting State" mean person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar natu and also includes that State and any political subdivision or local authority thereof. However term:

a) does not include any person who is liable to tax in that State in respect only of incom capital gains from sources in that State; and

b) includes an entity or organisation established under the laws of a Contracting State w is thereby liable to tax in that State, notwithstanding the fact that, under the laws of t State, it is exempt from tax on certain items of its income or capital gains.