

REPUBLIC OF  
IRELAND



Treaty Series No. 117 (1973)

# Agreement

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of the Republic of Ireland  
with respect to certain Exemptions from Tax

London, 2 May 1973

[The Agreement entered into force on 20 September 1973]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
November 1973*

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HER MAJESTY'S STATIONERY OFFICE

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**AGREEMENT  
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF  
GREAT BRITAIN AND NORTHERN IRELAND AND THE  
GOVERNMENT OF THE REPUBLIC OF IRELAND WITH  
RESPECT TO CERTAIN EXEMPTIONS FROM TAX**

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

With a view to making such alterations in the Agreement made the 14 April 1926,<sup>(1)</sup> between the British Government and the Government of the Irish Free State in respect of Double Income Tax as may be necessary in consequence of the alterations in the British Income Tax Acts effected by the British Finance Acts 1971 and 1972;

Have agreed as follows:

**ARTICLE 1**

(1) In Article 1(a) of the said Agreement the words "British income tax" shall as respects the year 1973-74 and any subsequent year be construed as meaning the basic rate of income tax and the reference to British surtax shall be construed as meaning the excess of liability to British income tax over what it would be if all British income tax were charged at the basic rate only.

(2) Article 1(a) of the said Agreement shall be further amended by the addition of:

"Where the income is a dividend derived from a company which is resident in the United Kingdom, such a person shall be entitled to payment of the tax credit in respect thereof to which an individual resident in the United Kingdom would have been entitled had he received that dividend.

Provided that there shall be no such entitlement to the tax credit where the recipient of the dividend is a company which either alone or together with one or more associated companies controls directly or indirectly not less than 10 per cent of the voting power in the company paying the dividend. For the purpose of this paragraph two companies shall be deemed to be associated if one is controlled directly or indirectly by the other, or both are controlled directly or indirectly by a third company.

The term "dividend" includes any item which under the law of the United Kingdom is treated as a distribution of a company."

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<sup>(1)</sup> Cmd. 2632.

## ARTICLE 2

Article 1(b) of the said Agreement shall be amended by the addition of:

“Where the income is a dividend paid by a company which is resident in the Republic of Ireland to a company which is resident in the United Kingdom and which controls directly or indirectly not less than 10 per cent of the voting power in the former company, the exemption shall apply only to income tax in excess of 5 per cent of the dividend.

The term “dividend” includes any payment or other transaction which under the law of the Republic of Ireland is deemed to be a dividend.”

## ARTICLE 3

In Article 2 of the said Agreement, as amended by Article 2 of the Agreement of 25 April 1928,<sup>(2)</sup> any reference to the standard rate of British income tax shall be construed as meaning the basic rate of British income tax and any reference to British surtax shall be construed as meaning the excess of liability to British income tax over what it would be if all British income tax were charged at the basic rate only.

## ARTICLE 4

This Agreement shall enter into force<sup>(3)</sup> on the exchange of Notes confirming that the necessary steps have been taken to give it the force of law in the United Kingdom and the Republic of Ireland, and shall thereupon have effect:

- (a) as respects dividends paid on or after 6 April 1973 and not later than 5 April 1975; and
- (b) in other respects for any year of assessment beginning on or after 6 April 1973.

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

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

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<sup>(2)</sup> Cmd. 3087.

<sup>(3)</sup> The Agreement entered into force on 20 September 1973.