Status of the UK/USSR Double Taxation Convention in relation to Tajikistan

Statement of practice 4/01 made public the UK's understanding at that time of the status, in relation to those former Soviet Republics that had been recognised by the UK as independent sovereign states, of the UK/USSR Double Taxation Convention ('The Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics for the avoidance of double taxation with respect to taxes on income and capital gains').

SP 4/01 confirmed that the UK/USSR convention continued in force for Belarus, Tajikistan and Turkmenistan.

We now know that Tajikistan considers that the UK/USSR convention has never had effect in Tajikistan as Tajikistan did not complete the procedures necessary in order for the convention to have effect under its domestic law.

In these circumstances, the UK will not apply the terms of the UK/USSR double taxation convention in the case of residents of Tajikistan:

- for profits arising on or after 1 April 2014, in the case of corporation tax; and
- for income and gains arising on or after 6 April 2014, in the case of income tax and capital gains tax

The UK will continue to apply the terms of the UK/USSR double taxation convention in the case of residents of Tajikistan in respect of profits arising before 1 April 2014 and income and gains arising before 6 April 2014.

In these circumstances, section 25 of the Taxation (International and Other Provisions) Act 2010 will not prevent a claim to unilateral relief in respect of Tajik taxes levied on profits, income or gains arising in Tajikistan.

The UK/USSR convention continues in force for Belarus and Turkmenistan.

SP4/01 will be updated shortly to reflect this position.