



Guidance notice

on the remittance base clause of the double taxation agreement (DTA) with the United Kingdom of Great Britain/Northern Ireland in the case of

royalties and remuneration paid to foreign artists and athletes

If, under the treaty, a tax concession applies to income or gains in a contracting state and, under the law applicable in the other contracting state, a person is liable to tax in respect of such income or gains on the amount of such income or gains remitted or received in the other state, but not on the basis of the total amount of such income or gains, the tax concession to be granted under the treaty in the first-mentioned state shall apply only to that part of the income or gains which is taxed in the other state.

For the application of the remittance base clause, it is relevant to what extent the person is subject to taxation in the United Kingdom of Great Britain or Northern Ireland.

The clause applies in particular if the person's taxation in the country of residence extends only to income or profits that have been remitted or received there.

In such cases, in order to obtain tax relief in the source state, it is therefore necessary to prove that the income/gains have been remitted to or received in the United Kingdom/Northern Ireland (and thus that the taxation there applies).

Furthermore, an exemption or tax reduction can generally be granted if the remuneration/capital gains creditor proves to the Federal Central Tax Office that he or she is liable to tax on his or her worldwide income in the United Kingdom/Northern Ireland and that the taxation of the income/gains is monitored there. In order to prove this, a corresponding confirmation from the British tax authorities is required. A certificate which merely states that the applicant is "domiciled" or "resident" in the country of domicile is not sufficient for this purpose.

The application of the remittance base clause in Art. 24 DBA-GB is not affected by lump-sum taxation in the state of residence.

This procedure applies accordingly to applicants from Ireland.