

# DTT Corner

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## **New UK-Luxembourg treaty**

The new double tax treaty between Luxembourg and the United Kingdom (“**Treaty**”) was approved by the Law of 18 September 2023 so that the first provisions will enter into force on 1 January 2024.

As a reminder, the Treaty that was signed by both countries on 7 June 2022 is a general modernisation of the treaty signed in 1967, taking into account Brexit and changes to international tax standards as a result of the OECD’s work on base erosion and profit shifting.

For more information, please visit our [article](#) on the subject.

## **Amendment to the Romania-Luxembourg treaty**

The second amendment to the Luxembourg and Romania double tax treaty signed on 14 December 1993 was approved by the Law of 5 September 2023 . The provisions are expected to come into force on 1 January 2024. The purpose of this amendment is to introduce a new Article 25 allowing Romania to apply the credit method to eliminate the double taxation on Luxembourg-sourced income.

## **Amendment to the Germany-Luxembourg treaty**

On 20 September 2023, Bill 8311 aiming to approve the amendment to the double tax treaty between Luxembourg and Germany was presented to the Luxembourg Parliament (“**Bill**”).

As a reminder, on 6 July 2023, Luxembourg and Germany signed an amendment to the double tax treaty signed on 23 April 2012 and related protocols (“**Amended DTT**”). The purpose of the amendment is mainly to take account of changes to international tax standards as a result of the OECD’s work on base erosion and profit shifting (“**BEPS**”).

In that regard, Article 1 of the Amended DTT now explicitly denies treaty access to tax transparent entities.

Article 10 of the Amended DTT has been extensively modified to now subject dividends paid by German real estate investment trusts (“**REITs**”) or Luxembourg equivalent entities as well as

undertakings for collective investments (“UCIs”) to a 15% withholding tax. The protocol to the Amended DTT indicates that Luxembourg UCIs shall mean investment funds subject to:

(i) the Law of 17 December 2010 relating to undertakings for collective investments;

(ii) the Law of 13 February 2007 relating to specialized investment funds; and

(iii) the Law of 23 July 2016 relating to reserved alternative investment funds

but only to the extent those UCIs are not established as partnerships.

The Amended DTT also aims at permanently increasing from 19 to 34 the total number of days of teleworking allowed to German cross-border workers without being subject to their resident country's.

For any further information please contact us or visit our website at [www.elvingerhoss.lu](http://www.elvingerhoss.lu).

The information contained herein is not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific legal advice concerning particular situations.

We undertake no responsibility to notify any change in law or practice after the date of this newsletter

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