



## 1. Double taxation – being liable to pay tax in both countries

If you have income from one country and are resident in another, you may be liable to pay tax in both countries under their tax laws. To avoid 'double taxation' in this situation, the United Kingdom (UK) has negotiated Double Taxation (DT) treaties with countries that include Spain. The precise conditions that apply to your income from the UK as a resident of Spain can be found in the text of the UK/Spain Double Taxation Convention. For more information about tax treaties, go to [www.gov.uk/government/collections/tax-treaties](http://www.gov.uk/government/collections/tax-treaties)

## 2. Purpose of form DT-Spain Individual

Form DT-Spain Individual allows you to apply under the UK/Spain Double Taxation Convention for exemption from UK Income Tax on a UK State Pension or Incapacity Benefit, and UK-source pensions, purchased annuities, royalties and interest. The form provides for a claim to repayment of UK Income Tax in cases where payments of income have already been made with UK tax deducted.

## 3. Tax vouchers

There's no need to send tax vouchers with your completed form DT-Spain Individual, but you should keep them safe in case they're needed later to support your claim. If you've any doubt about how you've completed the form you can send vouchers if you think it will help us.

## 4. Evidence of residence in Spain and where to send the completed form

It's a condition of relief from UK Income Tax under the terms of the UK/Spain Double Taxation Convention that the beneficial owner of the income is resident in Spain.

Please get a certificate Residencia en España Convenio from the Spanish Tax Authorities: Agencia Tributaria, and attach it to the completed form DT-Spain Individual. Send them to the address shown in Note 6 below.

## 5. Confidentiality

All information you provide to HM Revenue and Customs (HMRC) is confidential. We can only discuss your tax affairs with you or any tax adviser named by you.

## 6. Help or further information

If, after using these notes you need help or more information:

- phone HMRC on + 44 135 535 9022 if calling from outside the UK
- phone HMRC on 0300 200 3300 if calling from the UK
- write to HM Revenue and Customs, Pay As You Earn and Self Assessment, BX9 1AS, United Kingdom
- go online at [www.gov.uk/government/collections/tax-treaties](http://www.gov.uk/government/collections/tax-treaties)

Please quote your HMRC reference number if you contact us.

## 7. Completing the form DT-Spain Individual

Use the following notes to help you complete Parts A to F of the form. You should:

- include on the form only the income on which you're claiming relief from UK tax under the provisions of the UK/Spain Double Taxation Convention
- give all the information requested and attach any supporting documents that are asked for, if you need more room, attach a separate sheet of paper, write your name and your HMRC reference number on each additional sheet

### Part A Personal details of claimant

Give all the details asked for. If you have a tax adviser, please include the tax adviser's details.

### Part B Questions

Tick all the boxes that apply to you and give any additional information asked for.

Strike through all unused or partially completed sections.

### Part C Application for exemption from UK Income Tax

The UK/Spain Double Taxation Convention provides for the following benefits:

- no UK tax to be withheld from payments of pensions and annuities
- no UK tax to be withheld from payments of interest and royalties

Give the details asked for in Part C to apply for exemption from UK Income Tax on future payments of income. We deal with each application on its merits.

If exemption is granted, please tell HMRC at the address in Note 6 of this form, without delay, if there's any subsequent change to the information you've given on the form DT-Spain Individual.

### C1 UK State Pension and Incapacity Benefit

The UK State Pension, or UK Incapacity Benefit, is normally liable to UK Income Tax. As a resident of Spain you can apply to have this income exempted from UK Income Tax.

#### State Pension

A State Pension is a National Insurance benefit and is taxable, but usually paid without deduction of tax. If you receive a UK State Pension you can claim exemption from UK Income Tax under the UK/Spain Double Taxation Convention. Tick the 'UK State Pension' box in Part C1 of the form DT-Spain Individual and give the date payments began.

#### State Pension Deferral lump sum

If you've received a State Pension Deferral lump sum from which UK tax has been taken off, see Part D of these notes.

## **Incapacity Benefit**

Like the State Pension, Incapacity Benefit is taxable but is paid without deduction of tax. If you receive Incapacity Benefit you can claim exemption from UK Income Tax under the UK/Spain Double Taxation Convention. Tick the 'UK Incapacity Benefit' box in Part C1 of the form DT-Spain Individual and give the date payments began.

## **C2 UK pensions and purchased annuities**

Certain types of pension and most annuities from the UK, paid to you as a resident of Spain, can be exempted from UK Income Tax.

If the pension or annuity is taxed under the PAYE (Pay As You Earn) system, any adjustment will go back to the latest of the following:

- the date on which you became resident in Spain for the purpose of that country's tax
- the date payments of the income began
- the earliest UK tax year which remains in date for claiming repayment of UK Income Tax

Please send a photocopy of the latest P60 that you've received from the payer of your pension with your form DT-Spain Individual. This will help us make the adjustment.

### **UK government and local authority**

Pensions paid by the UK for service to the UK government or local authority are taxable in the UK. But if, exceptionally, you're a national (and resident) of Spain without also being a UK national, use the form DT-Spain Individual to claim exemption from UK tax on your pension.

If your pension will be taxed in the UK, you may be able to claim UK personal allowances, provided that you satisfy certain conditions. If you have any questions or wish to make a claim, contact HMRC at the address in Note 6.

### **Income paid on or after 6 April 2010**

The current UK/Spain Double Taxation Convention (DTC) applies to income paid on or after 6 April 2010. Under this DTC a pension paid for services to the UK government or a local authority is taxable in the UK. But if, exceptionally, you're a national (and resident) of Spain without also being a UK national, use form DT-Spain Individual to claim exemption from UK tax on your pension.

## **C3 UK interest**

Interest can be paid to you with no UK tax taken off. Any UK tax that has been taken off can be repaid to you in full.

### **Interest from securities**

UK tax is deducted from interest on loan stocks issued by:

- companies which are not quoted on the stock exchange
- local authorities

As explained in the introduction to Part C of these notes, we may be able to arrange for interest on these stocks to be paid with no UK tax taken off.

Interest from the following UK sources is paid with no UK tax deducted, so there is no need to apply for relief from UK tax at source. Please do not enter in Part C3 of the form:

- interest from company loan stocks quoted on the stock exchange (paid automatically without deduction of UK tax)
- interest from UK government securities (paid automatically without deduction of UK tax)
- interest from UK banks and building societies (paid automatically without deduction of tax)

If you've already received any interest with UK tax deducted, you may claim repayment of the tax. See Part D of the form.

### **Other interest**

If you receive interest from privately arranged loans, please give the following details on a separate sheet:

- name and address of the UK payer of the interest
- date of the loan agreement
- amount of the loan
- due dates of the interest

Please also attach a copy of the loan agreement.

## **Part C4 Royalties**

Most royalties can be paid to you with no tax deducted. Any UK tax that has been deducted can be repaid to you in full. The Double Taxation Convention allows relief only to the beneficial owner of the royalties. The beneficial owner is normally the originator of the work or product.

### **Copyright royalties for literary, dramatic, musical or artistic works**

If you're not the originator but have acquired the rights, please attach to the form DT-Spain Individual a copy of the licence, contract or assignment under which you've acquired the UK rights. This will help HMRC to check that the beneficial ownership condition in the Double Taxation Convention is satisfied.

### **Other royalties**

Attach to the form DT-Spain Individual a copy of the licence agreement between you and the UK payer of the royalties. If you're not the originator of the product giving rise to the royalties but have acquired the rights, please also attach a copy of the licence, contract or assignment under which you've acquired the UK rights.

## **Part D Claim for repayment of UK Income Tax Trivial Pension Commutation Payments**

From 6 April 2006, registered pension schemes and life insurance companies can pay 'Trivial Pension Commutation Payments'. This means that instead of receiving a small annual pension or annuity, a single lump sum is paid. UK tax is taken off these amounts under the normal PAYE (Pay as You Earn) rules.

If you've received a Trivial Pension Commutation Payment and on the date the lump sum was paid you were resident for tax purposes in Spain you can claim repayment of the tax that has been taken off. Please:

- enter details of the lump sum in Part D of the form
- attach Parts 2 and 3 of the form P45 that you received from the payer of the lump sum

### **Interest**

As explained in these notes, the UK/Spain Double Taxation Convention provides for exemption from UK Income Tax on interest and royalties. If you've received interest or royalty payments from which UK tax has been deducted, you may claim repayment of the UK tax. Enter the details asked for in Part D of these notes.

## State Pension Deferral lump sum

If you've received a State Pension Deferral lump sum from which UK tax has been taken off:

- fill in Part C1 to claim exemption from UK Income Tax for payments of the State Pension
- enter in Part D the amount of the lump sum and the amount of tax taken off

Please send with your form and a photocopy of the notification of the lump sum award that you received from The Pension Service. This will help us make the repayment.

## Royalties

As explained in these notes, the UK/Spain Double Taxation Convention provides for exemption from UK Income Tax on royalties. If you've received royalty payments from which UK tax has been taken off, you may claim repayment of the UK tax. Enter the details asked for in Part D.

## Income from a trust or estate

If you receive payments from a trust or estate, write the name of the trust or estate in the source of income box in Part D of the form. If you've received a payment from a discretionary trust, write both the name of the trust and its UK tax reference number in the source of income box in Part D.

Depending on the terms of the treaty HMRC will:

- pay all the amount shown as tax credit at the trust rate shown in the R185 (Trust Income) sent to you by the trustees
- 'look through' to the income received by the trustees and work out the repayment due to you - it is likely that you'll only be entitled to some of the amount shown as tax credit at the trusts rate shown in the R185 (Trust Income)

## Part E Payment details and authority

### E1 Payment to a nominee

You should only complete Part E if you want HMRC to make any repayment to a nominee on your behalf. We'll send the repayment by post direct to your nominee's address so you'll need to give the full postal address and other details asked for on the form.

### E2 Payment to you at another address

If you want HMRC to send the repayment to you at the address that is not your residential address, please give details in Part E2.

## Part F Declaration

You must sign the form DT-Spain Individual personally in Part F.

You may claim on behalf of:

- an unmarried minor (someone under the age of 18)
- a mentally incapacitated person
- someone who has died

Claims should normally be made by:

- a parent or guardian on behalf of an unmarried minor
- the person authorised by the courts to look after the affairs of a mentally incapacitated adult (or the DWP appointee)
- the executor or administrator of the estate of someone who has died (the claim will relate to income up to the date of death only)

Ask HMRC if you're in any doubt about whether you're the right person to make the claim. Remember that in these notes and in the form, references to 'you' and 'your' may equally apply to the person on whose behalf you're claiming.