STATUTORY INSTRUMENTS

2013 No. 3148

TAXES

The Double Taxation Relief and International Tax Enforcement (Isle of Man) Order 2013

Made - - - - 11th December 2013

At the Court at Buckingham Palace, the 11th day of December 2013

Present,

The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010(**a**) and section 173(7) of the Finance Act 2006(**b**) and approved by a resolution of that House.

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010 and section 173(1) to (3) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Isle of Man) Order 2013.

Double taxation and international tax enforcement arrangements to have effect

2. It is declared that—

(a) the arrangements specified in the Exchange of Letters set out in Part 1 of the Schedule to this Order and in the Arrangement set out in Part 2 of that Schedule, which further amend the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1955(**c**) have been made with the Government of the Isle of Man;

(b) the arrangements have been made with a view to affording relief from double taxation in relation to income tax and corporation tax and taxes of a similar character imposed by the laws of the Isle of Man and for the purposes of assisting international tax enforcement; and

(**a**) 2010 c. 8.
(**b**) 2006 c. 25.
(**c**) S.I.1955/1205; the arrangements scheduled to that Order were amended by the arrangements set out in the Schedules to S.I. 1991/2880 and S.I. 1994/3208 and in Parts 1 and 3 of the Schedule to S.I. 2009/228.

(c) it is expedient that those arrangements should have effect.

Richard Tilbrook
Clerk of the Privy Council

SCHEDULE

Article 2

PART 1

EXCHANGE OF LETTERS BETWEEN THE UNITED KINGDOM AND THE ISLE OF MAN CONCERNING THE 1955 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

London, 10th October 2013

Sir,

Having regard to the wish of our governments to enhance and facilitate the terms and conditions governing the exchange of information relating to taxes and respecting the constitutional relationship between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man, I have the honour to propose to you an Arrangement further amending the 1955 Arrangement between Her Majesty's Government and the Government of the Isle of Man for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income in the Appendix to this letter and that this Arrangement shall have effect in accordance with paragraph 3 thereof.

I have the honour to propose that, if the above is acceptable to the Government of the Isle of Man, this letter together with its Appendix and your confirmation shall together constitute our mutual acceptance and making of the Arrangement between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man.

Please accept, Sir, the assurance of our highest consideration.

For the Government of the United Kingdom of Great Britain and Northern Ireland

David Gauke

London, 10th October 2013

Sir,

I have the honour to acknowledge receipt of your letter of 10th October 2013, which reads as follows:

"Sir

Having regard to the wish of our governments to enhance and facilitate the terms and conditions governing the exchange of information relating to taxes and respecting the constitutional relationship between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man, I have the honour to propose to you an Arrangement, further amending the 1955 Arrangement between Her Majesty's Government and the Government of the Isle of Man for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income in the Appendix to this letter and that this Arrangement shall have effect in accordance with paragraph 3 thereof.

I have the honour to propose that, if the above is acceptable to the Government of the Isle of Man, this letter together with its Appendix and your confirmation shall together constitute our mutual acceptance and making of the Arrangement between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man.

Please accept, Sir, the assurance of our highest consideration,"

I am able to confirm that the contents of your letter dated 10th October 2013 are acceptable to the Government of the Isle of Man, and therefore that this letter together with your letter and its Appendix constitute our mutual acceptance of the provisions of the Arrangement between the Isle of Man and the United Kingdom of Great Britain and Northern Ireland.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the Isle of Man

Hon Allan Bell, MHK

Chief Minister of the Isle of Man

PART 2

ARRANGEMENT BETWEEN HER MAJESTY'S GOVERNMENT AND THE GOVERNMENT OF THE ISLE OF MAN AMENDING THE 1955 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AS AMENDED BY THE 1991 ARRANGEMENT, THE 1994 ARRANGEMENT AND THE 2008 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Isle of Man, desiring to amend the Arrangement between the two governments for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income ("the 1955 Arrangement"), have agreed as follows:

1. In this Arrangement the term "1955 Arrangement" means that Arrangement as amended by the 1991 Arrangement, the 1994 Arrangement and the 2008 Arrangement.

2. Paragraph 10 of the 1955 Arrangement shall be deleted and replaced with the following:

"Paragraph 10

Exchange of information

(1) The taxation authorities of the United Kingdom and the Island shall exchange such information as is foreseeably relevant for carrying out the provisions of this Arrangement or to the administration or enforcement of domestic laws concerning taxes of every kind and description imposed on behalf of the territories, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Arrangement. The exchange of information is not restricted by Paragraph 1 of this Arrangement.

(2) Any information received under sub-paragraph (1) of this paragraph by a territory shall be treated as secret in the same manner as information obtained under the domestic laws of that territory and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to, the taxes referred to in sub-paragraph (1), or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Notwithstanding the foregoing, information received by a territory may be used for other purposes when such information may be used for such other purposes under the laws of both territories and the taxation authority of the supplying territory authorises such use.

(3) In no case shall the provisions of sub-paragraphs (1) and (2) be construed so as to impose on a territory the obligation:

(a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other territory;

(b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other territory;

(c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be

contrary to public policy.

(4) If information is requested by a territory in accordance with this paragraph, the other territory shall use its information gathering measures to obtain the requested information, even though that other territory may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of sub-paragraph (3) of this paragraph but in no case shall such limitations be construed to permit a territory to decline to supply information solely because it has no domestic interest in such information.

(5) In no case shall the provisions of sub-paragraph (3) of this paragraph be construed to permit a territory to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person."

3. Each of the territories shall notify the other of the completion of the procedures required by its law for the bringing into force of this Arrangement. This Arrangement shall enter into force on the date of the later of these notifications and shall have effect for information exchanged on or after that date without regard to the taxable period to which the information relates.

EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains arrangements comprising an Exchange of Letters and an Arrangement ("the Arrangements) amending the arrangement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Isle of Man for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income ("the 1955 Arrangement"). This Order brings the arrangements into effect.

The 1955 Arrangement was scheduled to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1955 (S.I. 1955/1205) and has previously been amended by the arrangements set out in the Schedules to the Double Taxation Relief (Taxes on Income) (Isle of Man) Orders of 1991 (S.I 1991/2880) and 1994 (S.I. 1994/3208) and the Double Taxation Relief and International Tax Enforcement (Taxes on Income and Capital) (Isle of Man) Order 2009 (S.I. 2009/228).

Article 2 makes a declaration that it is expedient that the Arrangements should have effect. The Arrangements relate to the exchange of information foreseeably relevant to the carrying out of the provisions of the 1955 Arrangement or to the administration and enforcement of domestic laws concerning any United Kingdom or Isle of Man tax.

The Arrangements will enter into force on the date of the later of the notifications by each territory of the completion of its legislative procedures and take effect for information exchanged on or after that date.

The date of entry into force will, in due course, be published in the *London, Edinburgh* and *Belfast Gazettes*.

A Tax Information and Impact Note has not been produced for this Order as it gives effect to a previously announced policy to enact a double taxation agreement.

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