

# The Treasury *Yn Tashtey*

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## News Release

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### ISLE OF MAN AND THE UNITED STATES AGREE TO EXCHANGE TAX INFORMATION

The Isle of Man's Treasury Minister, Allan Bell, today signed a bilateral agreement with the United States of America which provides for the exchange of information on tax matters between the two countries. The Agreement provides for exchange of information by specific case request.

Allan Bell said:

*“Today co-operation between Governments is more important than ever as we work to ensure that no safe haven exists – either onshore or offshore – for funds associated with activities such as money laundering, terrorist financing or tax evasion.*

*“Equally the Isle of Man believes that the expansion of the global economy depends on both onshore and offshore international financial centres combining highly competitive entrepreneurial environments for business with a quality of regulation and stability.”*

The Isle of Man has long been recognised as a premier financial centre with an international reputation as a well regulated and responsible jurisdiction as evidenced by the Triple A rating with Moody's and Standard & Poors and also the recognition by FATF as being 'at the forefront of international efforts to prevent the abuse of company structures for criminal purposes'.

Allan Bell continued:

*“The ability to exchange information in relation to criminal matters already exists between our countries via the Department of Justice in the United States and the Attorney General in the Isle of Man.*

*“The Island's early commitment to OECD has permitted us to play an active role with the United States and other member countries in the development of a model Agreement on which the agreement being signed here today is based. This provides*

*an alternative route to obtain information in relation to criminal tax matters and also provides for a timetable for this to be extended to include civil tax matters.*

*“The development of a network of such Agreements between member states and committed jurisdictions, whether on a multilateral basis, or a bilateral basis as adopted by the Isle of Man, will in due course evidence the existence of a new and truly international standard on Exchange of Information.*

*“The Isle of Man will continue to support the development of such international standards and seek to foster business relationships with other countries based on those standards and we look forward to participating in the ongoing discussions with the United States to further develop and establish closer economic and fiscal ties.”*

## **Ends**

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### **Notes to editors:**

**Introduction – In January 2001 the Isle of Man Government made a Commitment to the Organisation for Economic Co-operation and Development, one aspect of which related to effective exchange of information. Over the following 12 months the Isle of Man, together with other jurisdictions, negotiated a Model Tax Information Exchange Agreement.**

**Exchanges on request** – The Model being adopted provides for exchange of information based upon a formal request being received by the Competent Authority in the Isle of Man. A request must be made on an individual case basis and the subject of the request must be under investigation in the requesting jurisdiction. Other safeguards are included to prevent ‘fishing expeditions’ for example the requesting party must first take all means available in its own jurisdiction to obtain the information. All information that is exchanged may not be passed on to third parties and there are strict confidentiality measures.

Upon entry into force, the provisions of the Agreement shall have effect:

- from 1 January 2004 with respect to criminal tax matters relating to taxable periods beginning on or after 1 January 2004; and
- from 1 January 2006 with respect to all other tax matters relating to taxable periods beginning on or after 1 January 2006.