

2009 No. 228

CAPITAL GAINS TAX

CORPORATION TAX

INCOME TAX

INHERITANCE TAX

**The Double Taxation Relief and International Tax Enforcement
(Taxes on Income and Capital) (Isle of Man) Order 2009**

Made - - - - *11th February 2009*

At the Court at Buckingham Palace, the 11th day of February 2009

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 788(10) of the Income and Corporation Taxes Act 1988(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 788(1) of the Income and Corporation Taxes Act 1988 and section 173(1) 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 (Taxes on Income and Capital) (Isle of Man) Order 2009.

Tax information exchange arrangements to have effect

2. It is declared that—

(a) 1988 c. 1: Section 788 was extended by section 277 of the Taxation of Chargeable Gains Act 1992 (c. 12). It has also been amended. The relevant amendments are as follows: Subsection (1) was amended by section 88(1) of the Finance Act 2002 (c. 23). Subsection (10) was substituted by section 176 of the Finance Act 2006 (c. 25).
(b) 2006 c. 25.

- (a) the arrangements specified in the Exchange of Letters set out in Part 1 of the Schedule to this Order and in the Agreement set out in Part 2 of that Schedule have been made with the Government of the Isle of Man with a view to the exchange of information foreseeably relevant to the administration or enforcement or recovery of the taxes, and debts relating to the taxes, covered by the arrangements including, in particular, provisions about the prevention of fiscal evasion with respect to those taxes; and
- (b) it is expedient that those arrangements should have effect.

Double taxation arrangements to have effect

3. It is also 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 3 of that Schedule, which vary the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1955(a), as amended by the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1991(b) and as further amended by the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1994(c), have been made with the Government of the Isle of Man with a view to affording relief from double taxation in relation to income tax or corporation tax and taxes of a similar character imposed by the laws of the Isle of Man; and
- (b) it is expedient that those arrangements should have effect.

Judith Simpson
Clerk of the Privy Council

(a) S.I. 1995/205
(b) S.I. 1991/2880
(c) S.I. 1994/3208

PART 1
EXCHANGE OF LETTERS
BETWEEN THE UNITED KINGDOM AND THE ISLE OF MAN
CONCERNING
AN AGREEMENT BETWEEN THE GOVERNMENT OF THE ISLE OF MAN
AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND FOR THE EXCHANGE OF INFORMATION
RELATING TO TAX MATTERS
AND
AN ARRANGEMENT 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

Sir,

Having regard to the wish of our respective 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 the provisions contained in the Agreement between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man for the exchange of information relating to tax matters (“the Agreement”) set out at Appendix 1 to this letter;
- to propose that the said provisions may come into force on the date provided for by Article 12 of the Agreement;
- to propose our mutual commitment to comply at the earliest date with our internal formalities required by our respective domestic law for the bringing into force of the Agreement, and to notify each other without delay through the formal channels when such formalities are completed.

I also have the honour to propose to you the 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 at Appendix 2 to this letter and that this Arrangement shall have effect in accordance with paragraph 7 thereof.

In proposing these agreements, the United Kingdom remains committed to the principle of non-discrimination.

The United Kingdom and the Isle of Man recognise that we share a common commitment to comply with international standards of anti-money laundering and counter-terrorist financing legislation and financial regulation and to participate in international efforts to combat financial and other crimes including fiscal crime. The Government of the United Kingdom is pleased to note the actions that the Isle of Man has taken in recent years to comply with these international standards.

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 Appendices and your confirmation shall together constitute our mutual

acceptance and making of the Agreement and the Arrangement between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man.

The United Kingdom welcomes this agreement as a significant step in establishing the Isle of Man's status as a jurisdiction which complies with international standards in the field of taxation, and looks forward to further progress in this area.

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

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

Michael Wills

Minister of State for Constitutional Renewal

Sir,

I have the honour to acknowledge receipt of your letter of 29th September 2008, which reads as follows:

“Sir,

Having regard to the wish of our respective 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 the provisions contained in the Agreement between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man for the exchange of information relating to tax matters (“the Agreement”) set out at Appendix 1 to this letter;
- to propose that the said provisions may come into force on the date provided for by Article 12 of the Agreement;
- to propose our mutual commitment to comply at the earliest date with our internal formalities required by our respective domestic law for the bringing into force of the Agreement, and to notify each other without delay through the formal channels when such formalities are completed.

I also have the honour to propose to you the 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 at Appendix 2 to this letter and that this Arrangement shall have effect in accordance with paragraph 7 thereof.

In proposing these agreements the United Kingdom remains committed to the principle of non-discrimination.

The United Kingdom and the Isle of Man recognise that we share a common commitment to comply with international standards of anti-money laundering and counter-terrorist financing legislation and financial regulation and to participate in international efforts to combat financial and other crimes including fiscal crime. The Government of the United Kingdom is pleased to note the actions that the Isle of Man has taken in recent years to comply with these international standards.

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 Appendices and your confirmation shall together constitute our mutual acceptance and making of the Agreement and the Arrangement between the United Kingdom of Great Britain and Northern Ireland and the Isle of Man.

The United Kingdom welcomes this agreement as a significant step in establishing the Isle of Man's status as a jurisdiction which complies with international standards in the field of taxation, and looks forward to further progress in this area.

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

I am able to confirm that the contents of your letter dated 29th September 2008 are acceptable to the Government of the Isle of Man, and therefore that this letter together with your letter and its Appendices constitute our mutual acceptance of the provisions of the Agreement and 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

J Anthony Brown
Chief Minister

PART 2

AGREEMENT BETWEEN THE ISLE OF MAN AND THE UNITED KINGDOM FOR THE EXCHANGE OF INFORMATION RELATING TO TAX MATTERS

Whereas the Isle of Man and the United Kingdom (“the Parties”) recognise that present legislation already provides for cooperation and the exchange of information in criminal tax matters;

Whereas the Parties have long been active in international efforts in the fight against financial and other crimes, including the targeting of terrorist financing;

Whereas the Isle of Man on the 13th December 2000 entered into a political commitment to the OECD’s principles of transparency and effective exchange of information and actively participated in the drafting of the OECD Model Agreement on Exchange of Information on Tax Matters;

Whereas the Parties wish to enhance and facilitate the terms and conditions governing the exchange of information relating to taxes;

Now, therefore, the Parties have agreed to conclude the following agreement which contains obligations on the part of the parties only:

ARTICLE 1

Object and Scope of the Agreement

The competent authorities of the Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration or enforcement of the domestic laws of the Parties concerning the taxes covered by this Agreement including information that is foreseeably relevant to the determination, assessment, enforcement or collection of tax with respect to persons subject to such taxes, or to the investigation of tax matters or the prosecution of tax matters in relation to such persons. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party remain applicable. However, the requested Party shall use its best endeavours to ensure that the effective exchange of information is not thereby unduly prevented or delayed. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8.

ARTICLE 2

Jurisdiction

A requested Party is not obliged to provide information which is neither held by its authorities nor in the possession or power of persons who are within its territorial jurisdiction.

ARTICLE 3

Taxes Covered

1. This Agreement shall apply to the following taxes imposed by the parties:

- (a) in the United Kingdom:
 - (i) the income tax;
 - (ii) the corporation tax;
 - (iii) the capital gains tax; and
 - (iv) the inheritance tax;
- (b) in the Isle of Man:
 - Taxes on income or profit

2. This Agreement shall also apply to any identical taxes imposed after the date of signature of this Agreement in addition to or in place of the existing taxes, or any substantially similar taxes if the competent authorities of the Parties so agree. The competent authority of each Party shall notify the other of any substantial changes in laws which may affect the obligations of that Party pursuant to this Agreement.

ARTICLE 4

Definitions

1. In this Agreement:

- (a) “collective investment scheme” means any pooled investment vehicle, irrespective of legal form. The term “public collective investment fund or scheme” means any scheme or fund in which the purchase, sale or redemption of shares or other interests is not implicitly or explicitly restricted to a limited group of investors;
- (b) “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;
- (c) “competent authority” means
 - (i) in the case of the United Kingdom, the Commissioners for HM Revenue and Customs or their authorised representative;
 - (ii) in the case of the Isle of Man, the Assessor of Income Tax or his delegate;
- (d) “criminal laws” means all criminal laws designated as such under domestic law irrespective of whether such are contained in the tax laws, the criminal code or other statutes;
- (e) “information” means any fact, statement, document or record in whatever form;
- (f) “information gathering measures” means laws and administrative or judicial procedures enabling a requested Party to obtain and provide the information requested;
- (g) “Isle of Man” means the Island of the Isle of Man;
- (h) “legal privilege” means –
 - (i) communications between a professional legal advisor and his client or any person representing his client made in connection with the giving of legal advice to the client;
 - (ii) communications between a professional legal advisor and his client or any person representing his client or between such an advisor or his client or any such representative and any other person made in connection with or in contemplation of legal proceedings and for the purposes of such proceedings; and

- (iii) items enclosed with or referred to in such communications and made in connection with the giving of legal advice or in connection with or in contemplation of legal proceedings and for the purposes of such proceedings, when they are in the possession of a person who is entitled to possession of them.

Items held with the intention of furthering a criminal purpose are not subject to legal privilege.

- (i) "Party" means the United Kingdom or the Isle of Man as the context requires;
- (j) "person" means a natural person, an individual, a company or any other body or group of persons;
- (k) "publicly traded company" means any company whose principal class of shares is listed on a recognised stock exchange provided its listed shares can be readily purchased or sold by the public. Shares can be purchased or sold by the public if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
- (l) "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;
- (m) "recognised stock exchange" means any stock exchange agreed upon by the competent authorities of the Parties;
- (n) "requested Party" means the Party to this Agreement which is requested to provide or has provided information;
- (o) "requesting Party" means the Party to this Agreement submitting a request for or having received information from the requested Party;
- (p) "tax" means any tax covered by this Agreement;
- (q) "United Kingdom" means Great Britain and Northern Ireland, including any area outside the territorial sea of the United Kingdom designated under its laws concerning the Continental Shelf and in accordance with international law as an area within which the rights of the United Kingdom with respect to the seabed and sub-soil and their natural resources may be exercised.

2. As regards the application of this Agreement at any time by a Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the laws of that Party, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

ARTICLE 5

Exchange of Information upon Request

1. The competent authority of the requested Party shall provide upon request by the competent authority of the requesting Party information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the requested Party needs such information for its own tax purposes or the conduct being investigated would constitute a crime under the laws of the requested Party if it had occurred in the territory of the requested Party.

2. If the information in the possession of the competent authority of the requested Party is not sufficient to enable it to comply with the request for information, the requested Party shall use all relevant information gathering measures necessary to provide the requesting Party with the information requested, notwithstanding that the requested Party may not need such information for its own tax purposes.

3. If specifically requested by the competent authority of the requesting Party, the competent authority of the requested Party shall provide information under this Article, to the extent allowable under its domestic laws, in the form of depositions of witnesses and authenticated copies of original records.

4. Each Party shall ensure that it has the authority, for the purposes specified in Article 1, to obtain and provide, through its competent authority and upon request:

- (a) information held by banks, other financial institutions, and any person, including nominees and trustees, acting in an agency or fiduciary capacity;
- (b) information regarding the ownership of companies, partnerships, collective investment schemes, trusts, foundations, "Anstalten", "Stiftungen" and other persons, including:
 - (i) within the constraints of Article 2, ownership information on all such persons in an ownership chain; and
 - (ii) in the case of collective investment schemes, information on shares, units and other interests; and
 - (iii) in the case of trusts, information on settlors, trustees and beneficiaries; and
 - (iv) in the case of foundations, information on founders, members of the foundation council and beneficiaries and equivalent information in the case of entities that are neither trusts nor foundations.

Provided that this Agreement does not create an obligation on either Party to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

5. The request for information under this Agreement shall be formulated with the greatest detail possible in specifying in writing:

- (a) the identity of the person under examination or investigation;
- (b) the period for which the information is requested;
- (c) the nature of the information requested and the form in which the requesting Party would prefer to receive it;
- (d) the tax purpose for which the information is sought;
- (e) the reasons for believing that the information requested is foreseeably relevant to tax administration and enforcement of the domestic laws of the requesting Party, with respect to the person identified in (a) of this paragraph;
- (f) grounds for believing that the information requested is present in the requested Party or is in the possession or power of a person within the jurisdiction of the requested Party;
- (g) to the extent known, the name and address of any person believed to be in possession or power of the information requested;
- (h) a statement that the request is in conformity with the laws and administrative practices of the requesting Party, that if the requested information was within the jurisdiction of the requesting Party then the competent authority of the applicant Party would be able to obtain the information under the laws of the requesting Party or in the normal course of administrative practice and that it is in conformity with this Agreement;
- (i) a statement that the requesting Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulty.

6. The competent authority of the requested Party shall acknowledge receipt of the request to the competent authority of the requesting Party, shall advise if there are any unexpected delays in obtaining the requested information, and shall use its best endeavours to forward the requested information to the requesting Party with the least possible delay.

ARTICLE 6

Tax Examinations Abroad

1. At the request of the competent authority of the requesting Party the requested Party may allow representatives of the competent authority of the requesting Party to enter the territory of the requested Party, to the extent permitted under its domestic laws, to interview individuals and examine records with the prior written consent of the individuals or other persons concerned. The competent authority of the requesting Party shall notify the competent authority of the requested Party of the time and place of the intended meeting with the individuals concerned.

2. At the request of the competent authority of the requesting Party, the competent authority of the requested Party may allow representatives of the competent authority of the requesting Party to attend a tax examination in the territory of the requested Party.

3. If the request referred to in paragraph 2 is granted, the competent authority of the requested Party conducting the examination shall, as soon as possible, notify the competent authority of the requesting Party of the time and place of the examination, the authority or person authorised to carry out the examination and the procedures and conditions required by the requested Party for the conduct of the examination. All decisions regarding the conduct of the tax examination shall be made by the requested Party conducting the examination.

ARTICLE 7

Possibility of Declining a Request

1. The Competent Authority of the requested Party may decline to assist:
 - (a) where the request is not made in conformity with this Agreement;
 - (b) where the requesting Party has not pursued all means available in its own territory to obtain the information, except where recourse to such means would give rise to disproportionate difficulty; or
 - (c) where disclosure of the information requested would be contrary to public policy.

2. This Agreement shall not impose on a requested Party any obligation to provide items subject to legal privilege, or information which would disclose any trade, business, industrial, commercial or professional secret or trade process, provided that information described in Article 5(4) shall not by reason of that fact alone be treated as such a secret or trade process.

3. The requested Party shall not be required to obtain and provide information which if the requested information was within the jurisdiction of the requesting Party the competent authority of the requesting Party would not be able to obtain under its laws or in the normal course of administrative practice.

4. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

ARTICLE 8

Confidentiality

1. All information provided and received by the competent authorities of the parties shall be kept confidential.

2. Such information shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the purposes specified in Article 1, the oversight of such purposes or the regulation of disclosure and use of information. The information shall be used by such persons and authorities only for the purposes specified in Article 1, including the determination of any appeal, or for the purposes which fall strictly within the specific powers and objects of such persons or authorities. For the avoidance of doubt, information which has been disclosed to such persons or authorities may be disclosed in public court proceedings or in judicial decisions.

3. Such information may not be used for any purpose other than for the purposes stated in Article 1 without the express written consent of the competent authority of the requested Party.

4. Information provided to a requesting Party under this Agreement may not be disclosed to any other jurisdiction.

ARTICLE 9

Costs

The incidence of costs incurred in providing assistance shall be agreed by the competent authorities of the Parties.

ARTICLE 10

Implementation Legislation

The Parties shall enact any legislation necessary to comply with, and give effect to, the terms of this Agreement.

ARTICLE 11

Mutual Agreement Procedure

1. Where difficulties or doubts arise between the Parties regarding the implementation or interpretation of this Agreement, the competent authorities shall endeavour to resolve the matter by mutual agreement.

2. In addition to the agreements referred to in paragraph 1, the competent authorities of the Parties may mutually agree on the procedures to be used under Articles 5, 6 and 9.

3. The competent authorities of the Parties may communicate with each other directly for purposes of reaching agreement under this Article.

4. The Parties shall agree on procedures for dispute resolution should this become necessary.

ARTICLE 12

Entry into Force

Each of the Parties shall notify to the other the completion of the procedures required by its law for the bringing into force of this Agreement. This Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect forthwith.

ARTICLE 13

Termination

1. Either Party may terminate the Agreement by serving a notice of termination.

2. Such termination shall become effective on the first day of the month following the expiration of a period of six months after the date of receipt of notice of termination by the other Party.

3. A Party that terminates the Agreement shall remain bound by the provisions of Article 8 with respect to any information obtained under the Agreement.

PART 3

**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 AND THE 1994 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 strengthen their economic relationship and to improve the operation of the existing arrangement between the two governments for the avoidance of double taxation (“the 1955 Arrangement”);

Have agreed as follows:

1. In this Arrangement the term “1955 Arrangement” means that Arrangement as amended by the 1991 Arrangement and the 1994 Arrangement.

2. After paragraph 2(1)(k) of the 1955 Arrangement there shall be inserted the following:

“(1) the term “taxation authority” means:

*. (i) in the United Kingdom, the Commissioners for Her Majesty’s Revenue and Customs or their authorised representative;

*. (ii) in the Isle of Man, the Assessor of Income Tax or his delegate.”

3. Paragraph 4 of the 1955 Arrangement shall be deleted and replaced with the following:

“4.—(1) Where:

(a) an enterprise of one of the territories participates directly or indirectly in the management, control or capital of an enterprise of the other territory; or

(b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the territories and an enterprise of the other territory;

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

(2) Where one of the territories includes in the profits of an enterprise of that territory - and taxes accordingly - profits on which an enterprise of the other territory has been charged to tax in that other territory and the profits so included are profits which would have accrued to the enterprise of the first-mentioned territory if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other territory shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Arrangement and the taxation authorities of the territories shall if necessary consult each other.”

4. After paragraph 5 of the 1955 Arrangement there shall be inserted the following new paragraph:

“5A. Subject to the provisions of paragraph 6, pensions and other similar remuneration paid to an individual who is a resident of one of the territories shall be taxable only in that territory.”

5. After paragraph 9B of the 1955 Arrangement there shall be inserted the following new paragraph:

“9C –(1) Where a resident of one of the territories considers that the actions of one or both of the territories result or will result for that person in taxation not in accordance with the provisions of this Arrangement, that person may, irrespective of the remedies provided by the domestic law of those territories, present a case to the taxation authority of the territory of which that person is a resident. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of this Arrangement or, if later, within six years from the end of the taxable year or chargeable period in respect of which that taxation is imposed or proposed.

(2) The taxation authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the taxation authority of the other territory, with a view to the avoidance of taxation which is not in accordance with this Arrangement. Any agreement reached shall be implemented notwithstanding any time limits or other procedural limitations in the domestic law of the territories, except such limitations as apply for the purposes of giving effect to such an agreement.

(3) The taxation authorities of the territories shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Arrangement. They may also consult together for the elimination of double taxation in cases not provided for in the Arrangement.

(4) The taxation authorities of the territories may communicate with each other directly for the purpose of reaching an agreement in the sense of this paragraph.”

6. Paragraph 10(2) of the 1955 Arrangement shall be deleted.

7. Each of the territories shall notify to the other 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 thereupon have effect:

(a) in the United Kingdom:

(i) in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which this Arrangement enters into force;

(ii) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which this Arrangement enters into force;

(b) in the Isle of Man, in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which this Arrangement enters into force.

EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains an Agreement between the Government of the United Kingdom and the Government of the Isle of Man for the exchange of information relating to tax matters. It also contains an Arrangement amending the 1955 Arrangement between the two Governments for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income, which was scheduled to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1955 and previously amended in 1991 and 1994.

Article 2 provides that it is expedient that the arrangements specified in the Exchange of Letters in Part 1 of the Schedule to the Order and in the Agreement in Part 2 of the Schedule should have effect. These arrangements relate to the exchange of information relating to tax matters.

Article 3 provides that it is expedient that the arrangements specified in the Exchange of Letters in Part 1 of the Schedule to the Order and in the Arrangement in Part 3 of the Schedule should have effect. These arrangements vary the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Isle of Man) Order 1955.

A detailed explanation of the Agreement and the Arrangement can be found in the Explanatory Memorandum published with this Order and which may be accessed on the website of the Office of Public Sector Information at <http://www.opsi.gov.uk/stat.htm>

The Agreement will enter into force on the date of the later of the notifications by each territory of the completion of its legislative procedures required to give effect to the Agreement and will have effect from that same date.

The Arrangement will also enter into force on the date of the later of the notifications by each territory of the completion of its legislative procedures. It will take effect in the United Kingdom—

- (a) in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which the Arrangement enters into force; and
- (b) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which the Arrangement enters into force.

The Arrangement will take effect in the Isle of Man in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which the Arrangement enters into force.

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

A full and final Impact Assessment has not been produced for this instrument as a negligible impact on the private or voluntary sectors is foreseen.

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(Taxes on Income and Capital) (Isle of Man) Order 2009

£5.00