
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains an Exchange of Letters between the United Kingdom and the Virgin Islands concerning Agreements for the Exchange of Information Relating to Taxes and for the Avoidance of Double Taxation with respect to Taxes on Income. It also contains the text of those Agreements.

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 Agreement in Part 3 of the Schedule should have effect. These arrangements relate to the avoidance of double taxation with respect to taxes on income.

A detailed explanation of the Agreements 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 for the Exchange of Information Relating to Taxes 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. However, in relation to matters other than criminal tax matters, the Agreement shall have effect only in relation to taxable periods beginning on or after the date of entry into force.

The Agreement for the Avoidance of Double Taxation with respect to Taxes on Income 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 for any year of assessment beginning on or after 6th April next following the date on which the Agreement enters into force; and in the Virgin Islands on or after 1st January next following the date on which the Agreement 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.