



Isle of Man

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**TAXES (MUTUAL ASSISTANCE) ORDER
2013**



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Statutory Document No. 0320/13



Income Tax Act 1970

TAXES (MUTUAL ASSISTANCE) ORDER 2013

Approved by Tynwald: 15 October 2013
Coming into Operation: 1 November 2013

The Council of Ministers makes the following Order under section 104B of the Income Tax Act 1970.

1 Title

This Order is the Taxes (Mutual Assistance) Order 2013.

2 Commencement, interpretation and effect

- (1) If approved by Tynwald, this Order comes into operation on 1 November 2013.
- (2) In this Order “**the Convention**” means the Convention on Mutual Administrative Assistance in Tax Matters signed on behalf of the United Kingdom on 24th May 2007 as it is extended to the Isle of Man.
- (3) This Order has effect from the day on which the extension of the Convention to the Isle of Man takes effect.

3 Implementation of the Convention

It is declared that the Convention, an intergovernmental agreement to which section 104B of the Income Tax Act 1970 applies —

- (a) has been applied to the Island, and
- (b) shall have effect in relation to the Island subject to the reservations set out in article 4.

4 Reservations in respect of information exchange

- (1) The reservations referred to in article 3 are made pursuant to Article 30 of the Convention and are set out in paragraph (2).
- (2) The Isle of Man reserves the right—
 - (a) not to provide any form of assistance in relation to the taxes of other Parties in any of the categories listed in Article 2.1.b;

- (b) not to provide assistance in the recovery of any tax claim, or in the recovery of an administrative fine, for any of the taxes listed in Article 2.1;
- (c) not to provide assistance in respect of any tax claim, which is in existence at the date that a reservation made under sub-paragraph (a) or (b) above, is withdrawn in relation to taxes in the category in question;
- (d) not to provide assistance in the service of documents for any of the taxes listed in Article 2.1;
- (e) not to permit the service of documents through the post as provided for in Article 17.3.

5 Modification of certain provisions of the Income Tax Act 1970

- (1) For the purpose of implementing or otherwise giving effect to the Convention, the Income Tax Act 1970 is treated as modified as follows.
- (2) In section 105C(5) after “pending appeal” insert **“and either in the Island or in a country or territory to which the Convention applies”**.
- (3) In section 105D –
 - (a) in subsection (1) for the words following “the Assessor” substitute –

“who believes it to be necessary for the purpose of responding to a request properly made by the tax authority of a country or territory to which the Convention applies.”
 - (b) in subsection (6)(a) after “such form” insert **“and authenticated in such manner”**.
- (4) In section 105E –
 - (a) after subsection (2) insert –

“(2A) In determining a reference under subsection (2), the Commissioners shall take account of the requirements of the Convention.” and
 - (b) in subsection (6)(a) for “General Revenue” substitute **“General Revenue of the Island or the Revenue of a country or territory to which the Convention applies”**.
- (5) In section 105F(5)(a) after “such form” insert **“and authenticated in such manner”**.
- (6) In section 105O insert the following definitions alphabetically –

“the Convention” means the Convention on Mutual Administrative Assistance in Tax Matters signed on behalf of the United Kingdom on 24th May 2007 as it is extended to the Isle of Man;

“**income tax**” includes any tax to which the Convention relates, and “**tax**”, “**liability to income tax**” and “**liability**” shall be construed accordingly;

“**Income Tax Acts**” includes the laws of the Island or of a country or territory to which the Convention applies that relate to any tax to which the Convention relates, and “**this Act**” shall be construed accordingly;

“**taxpayer**” includes a person who is or may be liable to any tax to which the Convention relates.

MADE 15 OCTOBER 2013

WILL GREENHOW
Chief Secretary

EXPLANATORY NOTE

(This note is not part of the Order)

This Order relates to the Convention on Mutual Administrative Assistance in Tax Matters (“the Convention”). The Convention was signed on behalf of the United Kingdom in 2007 and is to be extended to the Island on a future date.

Article 1 provides the title of the Order, and article 2 deals with its commencement, interpretation and effect.

Article 3 contains the declaration required by section 104B of the Income Tax Act 1970 to enable domestic legal provision to be made in relation to the Convention.

Article 4 contains reservations made on behalf of the Isle of Man in connection with the application of the Convention to the Island.

Article 5 sets out modifications of statutory provisions on exchange of information for the purposes of the application of the Convention to the Island.