



# The Treasury

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## NEWS RELEASE

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### **ISLE OF MAN SIGNS COMPREHENSIVE DOUBLE TAXATION AGREEMENT WITH BELGIUM**

**This is the second double taxation agreement that the Island has signed with a European Union member state**

**Island remains at the forefront of tax co-operation and builds its strength as an international business centre**

The Isle of Man today signs a comprehensive double taxation agreement (DTA) with Belgium. This is the Island's 16<sup>th</sup> agreement which meets OECD's standards on international tax transparency and co-operation.

Treasury Minister Allan Bell, who signed the agreement on behalf of the Isle of Man Government said, "Along with Estonia, this is the second double taxation agreement that the Isle of Man has signed with a European Union member state outside the UK. It shows that the Island is continuing to forge ahead in the field of tax co-operation, and further strengthens our reputation as an international business centre. This agreement represents the start of a new phase in relations between Belgium and the Isle of Man and I expect it to lead to further political, economic and cultural ties."

A DTA is the benchmark agreement between countries to remove double taxation obstacles to the development of economic relations, and so facilitates the exchange of goods and services and movements of capital, technology and people. It will also act to prevent tax evasion, and delivers the OECD agreed international standard on tax transparency and exchange of information.

Minister Bell said, "The Isle of Man has always been at the forefront of tax co-operation and this signing is further evidence that we will continue to meet high standards in international tax co-operation and transparency. We have shown with the signing and ratifying of TIEAs and DTAs, and our decision to move to automatic exchange of information under the EUSD, that we are a leading International Business Centre."

The DTA signing ceremony takes place today (16 July 2009) in Brussels between Allan Bell MHK, the Isle of Man's Treasury Minister, and Mr Didier Reynders, the Belgium Deputy Prime Minister and Minister of Finance.

The text of the agreement can be viewed on the International Agreements page of the Isle of Man Treasury Income Tax Division's website at:

<http://www.gov.im/treasury/incometax/sections/practitioners/internationalagreements.xml>

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## NOTES

The Isle of Man signed a DTA with Estonia on 8 May 2009. The Island also signed an amendment to the 1955 DTA held with the UK on 29 September 2009.

### Isle of Man's 14 TIEAs

Country	TIEA signing date
US	03-Oct-02
Netherlands	12-Oct-05
Sweden	30-Oct-07
Norway	30-Oct-07
Finland	30-Oct-07
Denmark	30-Oct-07
Greenland	30-Oct-07
Faroes	30-Oct-07
Iceland	30-Oct-07
Ireland	24-Apr-08
UK	29-Sept-08
Australia	29-Jan-09
Germany	02-Mar-09
France	26-Mar-09

## MINISTER BELL'S COMMENTS MADE AT THE SIGNING CEREMONY

Minister, Ladies and Gentlemen, I am honoured to be here in Brussels today as your guest and to be signing a comprehensive double tax agreement with Belgium on behalf of the Isle of Man.

Our governments are agreeing to work together on taxation matters, and I am sure that we will work together in a spirit of transparency and co-operation to enhance and broaden the political and economic relationship between Belgium and the Isle of Man.

The Isle of Man has regulatory systems for all financial services that meet international benchmark standards. Belgium, and all of the other countries with which we have double taxation and co-operation agreements, can rely on the Isle of Man to support them and to deliver all that is required from a small but significant player in the global economic community. Shared, objective standards are the keystone of effective co-operation between countries, and should be adhered to by all countries wishing to attract the best investment and business.

This agreement represents the start of a new phase in relations between Belgium and the Isle of Man and I expect it to lead to further political, economic and cultural ties.

Thank you

## THE ISLE OF MAN

The Isle of Man (population 80,000) is in the middle of the Irish Sea at the centre of the British Isles. It is a self-governing British Crown Dependency with its own parliament, government and laws.

The Isle of Man is not part of the European Union, and not part of the United Kingdom. However, the British Queen is its head of state and the United Kingdom Government is ultimately responsible for its international relations.

Perhaps best known for financial services, the Isle of Man is developing a global reputation for a diverse array of niche, quality sectors including:

- High-tech manufacturing
- E-Business
- E-Gaming
- Ship and super yacht management
- Aircraft registration
- Agricultural and fisheries produce
- Film and television production
- Space commerce
- Entrepreneur/trading gateway

Financial services represent just 36% of the Island's diverse economy, with banking only narrowly ahead of manufacturing as the main source of employment; and while the Island's economy is diverse, a common set of advantages drive its success.

For instance, the Isle of Man is renowned for quality and efficient service, supported by outstanding professional services and capabilities. We enjoy a healthy relationship between the private and public sectors founded on a world class regulatory environment. We also have an international reputation as a tax-efficient, responsible and co-operative jurisdiction.

In fact the Isle of Man is ranked 4th “most business friendly” area in fDi Magazine’s European Regions of the Future 2008/09.

A number of external bodies, including the International Monetary Fund, have confirmed that the Island’s defences against money laundering comply with the highest global standards, and that it co-operates fully in combating international financial crime.

On 2 April 2009, the OECD acknowledged the Isle of Man’s quality in regulation and co-operation by placing it on what many have referred to as the ‘white list’ of countries which have substantially implemented the internationally agreed tax standard.

Growth in the Isle of Man economy has been matched by investment in public services, funded by direct and indirect taxation. The Island is self-financing.

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