

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE ISLE OF MAN,

UNDER ENTRUSTMENT FROM THE GOVERNMENT OF

**THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND,**

AND

THE GOVERNMENT OF CANADA

**FOR THE EXCHANGE OF INFORMATION ON TAX
MATTERS**

WHEREAS the Government of the United Kingdom has issued a letter of entrustment to the **GOVERNMENT OF THE ISLE OF MAN** ("the Isle of Man") to negotiate and conclude an agreement for the exchange of information on tax matters with the **GOVERNMENT OF CANADA** ("Canada"),

NOW, THEREFORE, the Isle of Man and Canada, wishing to enhance and facilitate the terms and conditions governing the exchange of information relating to taxes have agreed as follows:

ARTICLE 1

Object and scope of this agreement

1. The Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and 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 liable to such taxes, or to the investigation or prosecution of tax matters in relation to such persons.

2. For the purposes of this Agreement, a requested Party is not obliged to provide information which is neither held by its authorities nor in the possession of nor obtainable by persons who are within its territorial jurisdiction.

3. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party remain applicable.

4. The requested Party shall use its best endeavours to ensure that the effective exchange of information is not unduly prevented or delayed.

ARTICLE 2
Taxes covered

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

- (a) in the case of the Isle of Man, taxes on income or profits;
- (b) in the case of Canada, taxes on income and on capital imposed or administered by the Government of Canada.

2. This Agreement shall also apply to any other taxes if the Parties so agree in an exchange of letters. The competent authority of each Party shall notify the other of substantial changes in laws which may affect the obligations of that Party pursuant to this Agreement.

ARTICLE 3

Definitions

1. In this Agreement:
 - (a) "Canada", used in a geographical sense, means:
 - (i) the land territory, air space, internal waters and territorial sea of Canada;
 - (ii) the exclusive economic zone of Canada, as determined by its domestic law, consistent with Part V of the *United Nations Convention on the Law of the Sea* of 10 December 1982 ("UNCLOS"); and
 - (iii) the continental shelf of Canada, as determined by its domestic law, consistent with Part VI of the UNCLOS;
 - (b) "Isle of Man", used in a geographical sense, means the island of the Isle of Man, including its territorial sea, in accordance with international law;
 - (c) "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - (d) "competent authority" means:
 - (i) in the case of Canada, the Minister of National Revenue or the Minister's authorised representative;
 - (ii) in the case of the Isle of Man, the Assessor of Income Tax or the Assessor's delegate;
 - (e) "information" means any fact, statement, document or record in any form whatever;

- (f) "information gathering measures" means laws and administrative or judicial procedures that enable a Party to obtain and provide the requested information;
- (g) "Party" means the Government of the Isle of Man or the Government of Canada as the context requires;
- (h) "person" includes a natural person, a company, a trust, a partnership or any other body of persons;
- (i) "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;
- (j) "public collective investment scheme" means any collective investment fund or scheme in which the purchase and sale, or the purchase and redemption, of shares or other interests is not implicitly or explicitly restricted to a limited group of investors;
- (k) "publicly traded company" means any company whose principal class of shares is listed on a recognised stock exchange provided that its listed shares can be readily purchased and 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) "recognised stock exchange" means any stock exchange agreed upon by the competent authorities of the Parties;

- (m) "requested Party" means the Party to this Agreement which is requested to provide or has provided information in response to a request;
- (n) "requesting Party" means the Party to this Agreement submitting a request for or having received information from the requested Party; and
- (o) "tax" means any tax covered by this Agreement.

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 law 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 4

Exchange of information upon request

1. The competent authority of the requested Party shall provide upon request by 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 such conduct occurred in the territory of the requested Party. The competent authority of the requesting Party shall make a request for information pursuant to this Article only when it is unable to obtain without disproportionate difficulty the requested information by other means.

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 referred to 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 legal and beneficial ownership of companies, partnerships, trusts, foundations, "Anstalten" and other persons, including, in the case of collective investment schemes, information on shares, units, and other interests and ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees, protectors and beneficiaries; and, in the case of foundations, information on founders, members of the foundation council and beneficiaries. 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. Any request for information shall specify 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 the administration and enforcement of the domestic laws of the requesting Party, with respect to the person identified in subparagraph (a) of this paragraph;
- (f) grounds for believing that the information requested is held in the requested Party or is in the possession of or obtainable by 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 of or able to obtain the requested information;
- (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; and
- (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 difficulties.

6. The competent authority of the requested Party shall acknowledge receipt of the request to the competent authority of the requesting Party and shall use its best endeavours to forward the requested information to the requesting Party with the least possible delay.

ARTICLE 5

Tax examinations abroad

1. With reasonable notice, the requesting Party may request that the requested Party allow representatives of the competent authority of the requesting Party to enter the territory of the requested Party in order 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 be present at a tax examination in the territory of the requested Party.

3. In the case of a request referred to in paragraph 2, where such a request 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 examination shall be made by the requested Party conducting the examination.

ARTICLE 6

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 the disclosure of the information requested would be contrary to public policy.

2. This Agreement shall not impose upon a requested Party any obligation to provide information which is:
 - (a) in the case of the Isle of Man, subject to legal privilege, or in the case of Canada, subject to solicitor-client privilege;
 - (b) subject to any trade, business, industrial, commercial or professional secret or trade process, provided that information described in Article 4, paragraph 4, shall not by reason of that fact alone be treated as such a secret or trade process.

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

4. 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 administration of its tax laws.

5. The requested Party may decline a request for information if the information is requested by the requesting Party to administer or enforce a provision of the tax law of the requesting Party, or any requirement connected therewith, which discriminates against a national or citizen of the requested Party as compared with a national or citizen of the requesting Party in the same circumstances.

ARTICLE 7

Confidentiality

1. All information received by the competent authorities of the Parties shall be kept confidential.

2. Such information may be disclosed only to persons or authorities, including courts and administrative bodies, in the jurisdiction of the requesting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

3. Subject to paragraph 4, such information may be disclosed to any other person or entity or authority with 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 8

Costs

Unless the competent authorities of the Parties otherwise agree, ordinary costs incurred in providing assistance should be borne by the requested Party, and extraordinary costs incurred in providing assistance, including costs of engaging external advisers in connection with litigation or otherwise, shall be borne by the requesting Party. The respective competent authorities shall consult from time to time with regard to this Article and, in particular, the competent authority of the requested Party shall consult with the competent authority of the requesting Party in advance if the costs of providing information with respect to a specific request are expected to be extraordinary.

ARTICLE 9

Implementation legislation

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

ARTICLE 10

Other international agreements or arrangements

The possibilities of assistance provided by this Agreement do not limit, nor are they limited by, those contained in existing international agreements or other arrangements between the Parties.

ARTICLE 11

Mutual agreement procedure

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

2. The Parties may also agree on other forms of dispute resolution.

ARTICLE 12

Entry into force

This Agreement shall enter into force on the date of the later notification by which each Party has notified the other of the completion of its necessary internal procedures for entry into force. Upon entry into force, it shall have effect:

- (a) for tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the requesting party (irrespective of whether contained in the tax laws, the criminal code or other statutes), on that date; and
- (b) for all other matters covered in Article 1, on that date, but only in respect of taxable periods beginning on or after that date, or, where there is no taxable period, all charges to tax arising on or after that date.

ARTICLE 13
Termination

1. This Agreement shall remain in force until terminated by a Party.

2. A Party may terminate this Agreement by giving notice of termination in writing. Such termination shall become effective on the first day of the month following the expiration of a period of three months after the date of the notice of termination.

3. If this Agreement is terminated, the Parties shall remain bound by the provisions of Article 7 with respect to any information obtained under this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by the respective Parties, have signed this Agreement.

DONE in duplicate at *Douglas* on this *17^b* day of *January* 2011,
in the English and French languages, each version being equally authentic.

Jane Crowe

**FOR THE GOVERNMENT
OF THE ISLE OF MAN**

[Signature]

**FOR THE GOVERNMENT
OF CANADA**