

**AGREEMENT**  
**BETWEEN**  
**THE GOVERNMENT OF THE ISLE OF MAN**  
**AND**  
**THE GOVERNMENT OF THE UNITED MEXICAN STATES**  
**FOR THE EXCHANGE OF INFORMATION**  
**RELATING TO TAX MATTERS**

**Whereas** it is acknowledged that the Isle of Man under the terms of its Entrustment from the United Kingdom has the right to negotiate, conclude, perform and, subject to the terms of this Agreement, terminate a tax information exchange agreement with Mexico;

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

**Whereas** the Parties wish to enhance and facilitate the terms and conditions governing the exchange of information with respect 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 THIS AGREEMENT**

The competent authorities of 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 taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment, enforcement, recovery or collection of such taxes, with respect to persons liable to such taxes, or to the investigation or 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 to the extent that they do not unduly prevent or delay effective exchange of information.

## **ARTICLE 2**

### **JURISDICTION**

A Requested Party is not obligated to provide information which is neither held by its authorities nor in the possession of or obtainable by persons who are within its jurisdiction.

**ARTICLE 3**  
**TAXES COVERED**

1 The taxes which are the subject of this Agreement are:

- (a) in the Isle of Man, taxes on income or profit; and
- (b) in Mexico:
  - (i) federal income tax,
  - (ii) business flat rate tax, and
  - (iii) value added tax.

2 This Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. Furthermore, the taxes covered may be expanded or modified by mutual agreement of the Parties in the form of an exchange of letters. The competent authorities of the Parties shall notify each other of any substantial changes to the taxation and related information gathering measures covered by this Agreement.

## **ARTICLE 4**

### **DEFINITIONS**

- 1 For the purposes of this Agreement, unless otherwise defined:
  - (a) the term "Isle of Man" means the island of the Isle of Man (referred to as "Isla del Hombre" under the law of the United Mexican States and in particular in sub-paragraph XII of the Third Article of the Transitory Provisions of the Income Tax Law), including its territorial sea, in accordance with international law;
  - (b) the term "Mexico" means the United Mexican States, when used in a geographical sense it includes the territory of the United Mexican States, as well as the integrated parts of the Federation, the islands, including the reefs and cays in the adjacent waters, the islands of Guadalupe and Revillagigedo, the continental shelf and the seabed and sub-soil of the islands, cays and reefs, the waters of the territorial seas and the inland waters and beyond them the areas over which, in accordance with the international law, Mexico may exercise its sovereign rights of exploration and exploitation of the natural resources of the seabed, sub-soil and the suprajacent waters, and the air space of the national territory to the extent and under conditions established by international law;
  - (c) the term "collective investment fund or scheme" means any pooled investment vehicle, irrespective of legal form. The term "public

collective investment fund or scheme” means any collective investment scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;

- (d) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;
- (e) the term “competent authority” means, in the case of the Isle of Man, the Assessor of Income Tax or his or her delegate and, in the case of Mexico, the Ministry of Finance and Public Credit;
- (f) the term “criminal laws” means all criminal laws designated as such under domestic law irrespective of whether contained in the tax laws, the criminal code or other statutes;
- (g) the term “criminal tax matters” means tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the Requesting Party;
- (h) the term “information” means any fact, statement or record in any form whatever;

- (i) the term "information gathering measures" means laws and administrative or judicial procedures that enable a Party to obtain and provide the requested information;
- (j) the term "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:
    - a) in connection with the giving of legal advice; or
    - b) 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;

- (k) the term "Party" means the Isle of Man or Mexico as the context requires;
- (l) the term "person" includes an individual, a company and any other body of persons;
- (m) the term "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;
- (n) the term "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;
- (o) the term "recognised stock exchange" means any stock exchange agreed upon by the competent authorities of the Parties;
- (p) the term "Requested Party" means the Party requested to provide information;
- (q) the term "Requesting Party" means the Party requesting information; and
- (r) the term "tax" means any tax to which this Agreement applies.



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 5**  
**EXCHANGE OF INFORMATION UPON REQUEST**

1 The competent authority of the Requested Party shall provide upon request 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 jurisdiction 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, that 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 its competent authorities, for the purposes specified in Article 1 of the Agreement, have the authority to obtain and provide 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) (i) information regarding the legal and beneficial ownership of companies, partnerships, foundations and other persons, and within the constraints of Article 2, any other persons in an ownership chain, including in the case of collective investment schemes, information on shares, units and other interests;
- (ii) in the case of trusts, information on settlors, trustees, protectors and beneficiaries; and
- (iii) in the case of foundations, information on founders, members of the foundation council and beneficiaries.

5 This Agreement does not create an obligation for a Party to obtain or provide ownership information with respect to publicly traded companies or public collective investment schemes, unless such information can be obtained without giving rise to disproportionate difficulties.

6 The competent authority of the Requesting Party shall provide the following information to the competent authority of the Requested Party when making a request for information under this Agreement to demonstrate the foreseeable relevance of the information to the request:

- (a) the identity of the person under examination or investigation;
- (b) a statement of the information sought including its nature and the form in which the Requesting Party wishes to receive the information from the Requested Party;
- (c) the tax purpose for which the information is sought;
- (d) grounds for believing that the information requested is held in the territory of the Requested Party or is in the possession of or obtainable by a person within the jurisdiction of the Requested Party;
- (e) to the extent known, the name and address of any person believed to be in possession of or able to obtain the requested information;
- (f) a statement that the request is in conformity with the law 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 Requesting 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;

- (g) 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.

7 The competent authority of the Requested Party shall forward the requested information as soon as reasonably possible to the Requesting Party. To ensure a prompt response, the competent authority of the Requested Party shall:

- (a) confirm receipt of a request in writing to the competent authority of the Requesting Party and shall notify the competent authority of the Requesting Party of deficiencies in the request, if any, within sixty (60) days of the receipt of the request; and
- (b) if the competent authority of the Requested Party has been unable to obtain and provide the information within ninety (90) days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the Requesting Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

**ARTICLE 6**  
**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, 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 permit 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 examination shall be made by the Requested Party conducting the examination.

**ARTICLE 7**  
**POSSIBILITY OF DECLINING A REQUEST**

1 The Requested Party shall not be required to obtain or provide information that the Requesting Party would not be able to obtain under its own laws for purposes of the administration or enforcement of its own tax laws. The competent authority of the Requested Party may decline to assist where the request is not made in conformity with this Agreement.

2 The provisions of this Agreement shall not impose on a Party the obligation to provide information subject to legal privilege or to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process. Notwithstanding the foregoing, information of the type referred to in Article 5, paragraph 4 shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph.

3 The Requested Party may decline a request for information if the disclosure of the information would be contrary to public policy (*ordre public*).

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

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 of the Requested Party as compared with a national of the Requesting Party in the same circumstances.



## **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, and used by such persons or authorities only for such purposes, including the determination of any appeal. For these purposes, information 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**

Unless the competent authorities of the Parties otherwise agree, ordinary costs incurred in providing assistance shall be borne by the Requested Party, and extraordinary costs 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 if the costs of providing information with respect to a specific request are expected to be significant.

## **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 may also agree on other forms of dispute resolution.

## **ARTICLE 12**

### **INTERPRETATION**

The competent authorities may take into consideration the commentaries pertaining to the 2002 Agreement on Exchange of Information on Tax Matters of the Organisation for Economic Cooperation and Development (OECD Model Agreement) when interpreting provisions of this Agreement that are identical to the provisions in that OECD Model Agreement.

**ARTICLE 13**  
**ENTRY INTO FORCE**

1 Each Party shall notify the Other in writing that the procedures required by its law to bring this Agreement into force, have been complied with. This Agreement shall enter into force on the thirtieth (30<sup>th</sup>) day after the date of the last notification.

2 Upon entry into force, the provisions of this Agreement shall have effect:

- (a) for criminal tax matters 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 31<sup>st</sup> December 2011 or, where there is no taxable period, all charges to tax arising on or after 31<sup>st</sup> December 2011.

**ARTICLE 14**  
**TERMINATION**

1 This Agreement shall remain in force until terminated by a Party. Either Party may terminate the Agreement by giving written notice of termination at least six (6) months before the end of any calendar year beginning on or after the expiration of a period of two (2) years from the date of its entry into force.

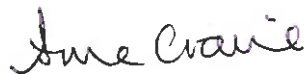
2 In such event, the Agreement shall cease to have effect on the first day of January in the calendar year next following that in which the notice is given.

3 Notwithstanding any termination of this Agreement, the Parties shall remain bound by the provisions of Article 8 with respect to any information obtained under this Agreement.

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

DONE in Mexico City on this 18<sup>th</sup> day of March of two thousand eleven and in Douglas on this 11<sup>th</sup> day of April of two thousand eleven, in duplicate in the English and Spanish languages, both texts being equally authentic.

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



**Anne Valerie Craine  
Treasury Minister**

**FOR THE GOVERNMENT OF  
THE UNITED MEXICAN STATES:**



**Ernesto Javier Cordero Arroyo  
Minister of Finance and Public Credit**