

AGREEMENT BETWEEN IRELAND AND THE STATES OF GUERNSEY FOR THE EXCHANGE OF INFORMATION RELATING TO TAX MATTERS

Whereas Ireland and the States of Guernsey (“the Parties”) recognise that present legislation already provides for cooperation and the exchange of information in criminal tax matters;

Whereas the Parties have long been active in international efforts in the fight against financial and other crimes, including the targeting of terrorist financing;

Whereas it is acknowledged that the States of Guernsey 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 Ireland;

Whereas the States of Guernsey on 21 February 2002 entered into a political commitment to the OECD’s principles of effective exchange of information;

Whereas the Parties wish to enhance and facilitate the terms and conditions governing the exchange of information relating 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 SCOPE OF THE AGREEMENT

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 of tax matters or the criminal prosecution of tax matters in relation to such persons. 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. 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 TAXES COVERED

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

- (a) in the case of Ireland:
 - (i) income tax;
 - (ii) the income levy;
 - (iii) corporation tax;
 - (iv) capital gains tax;
 - (v) capital acquisitions tax; and
 - (vi) value added tax (VAT);
- (b) in the case of Guernsey:
 - (i) income tax; and
 - (ii) dwellings profits tax.

2. This Agreement shall apply also to any identical taxes imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. This Agreement shall also apply to any substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes, if the Parties so agree. 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) "Ireland" means Ireland and includes any area outside the territorial waters of Ireland which has been or may hereafter be designated under the laws of Ireland concerning the Exclusive Economic Zone and the Continental Shelf, as an area within which Ireland may exercise such sovereign rights and jurisdiction as are in conformity with international law;
- (b) "Guernsey" means Guernsey, Alderney and Herm, including the territorial sea adjacent to those islands, 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, in the case of Ireland, the Revenue Commissioners or their authorised representative, and in the case of Guernsey, the Director of Income Tax or his delegate;

- (e) "criminal laws" means all criminal laws designated as such under domestic law, irrespective of whether such are contained in the tax laws, the criminal code or other statutes;
- (f) "criminal tax matters" means tax matters involving intentional conduct whether before or after the entry into force of this Agreement which is liable to prosecution under the criminal laws of the requesting Party;
- (g) "information gathering measures" means laws and administrative or judicial procedures enabling a requested Party to obtain and provide the information requested;
- (h) "information" means any fact, statement, document or record in whatever form;
- (i) "person" means a natural person, a company or any other body or group of persons;
- (j) "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;
- (k) "public collective investment scheme" means any scheme or fund, in which the purchase, sale or redemption of shares or other interests is not implicitly or explicitly restricted to a limited group of investors;
- (l) "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;
- (m) "recognised stock exchange" means any stock exchange agreed upon by the competent authorities of the Parties;
- (n) "requested Party" means the Party to this Agreement which is requested to provide or has provided information in response to a request;
- (o) "requesting Party" means the Party to this Agreement submitting a request for or having received information from the requested Party;
- (p) "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 laws 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 it had occurred in the territory of the requested Party. The competent authority of the requesting Party shall only make a request for information pursuant to this Article when it is unable to obtain the requested information by other means, except where recourse to such means would give rise to disproportionate difficulty.

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, at its own discretion, 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, subject to the terms of 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) (i) information regarding the legal and beneficial ownership of companies, partnerships, foundations and other persons, 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, in the case of foundations, information on founders, members of the foundation council and beneficiaries;

provided that 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.

5. Any request for information shall be formulated with the greatest detail possible and 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 tax administration and enforcement of the requesting Party, with respect to the person identified in subparagraph (a) of this paragraph;
- (f) the grounds for believing that the information requested is present 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 or control of the information requested;
- (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 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;
- (i) a statement that the requesting Party has pursued all means available in its own territory to obtain the information, except where that would give rise to disproportionate difficulty.

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 reasonable delay.

ARTICLE 5

TAX INVESTIGATIONS 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 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 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 ("ordre public").

2. This Agreement shall not impose upon a requested Party any obligation to provide items subject to legal privilege, or information which would disclose any trade, business, industrial, commercial or professional secret or trade process, provided that information described in paragraph 4 of Article 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 administrative practice.

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 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 8 COSTS

Unless the competent authorities of the Parties otherwise agree, indirect costs incurred in providing assistance shall be borne by the requested Party, and direct costs incurred in providing assistance (including costs of engaging external advisors in connection with litigation or otherwise necessary to comply with the request) shall be borne by the requesting Party. The 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 significant.

ARTICLE 9 MUTUAL AGREEMENT PROCEDURES

1. Where difficulties or doubts arise between the Parties regarding the implementation or interpretation of this Agreement, the respective competent authorities shall use their best efforts 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 agree mutually on the procedures to be used under Articles 4,5 and 8.
3. The Parties shall endeavour to agree on other forms of dispute resolution should this become necessary.
4. Formal communications, including requests for information, made in connection with or pursuant to the provisions of this Agreement will be in writing directly to the competent authority of the other Party at such address as may be notified by one Party to the other from time to time. Any subsequent communications regarding requests for information will be either in writing or verbally, whichever is most practical, between the earlier mentioned competent authorities or their authorised representatives.

ARTICLE 10 ENTRY INTO FORCE

This Agreement shall enter into force on the thirtieth day after the later of the dates on which each Party has notified the other in writing of the completion of the procedures required by its law for entry into force. Upon the date of entry into force, it 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 the first day of January 2010 or, where there is no taxable period, all charges to tax arising on or after that date.

ARTICLE 11 TERMINATION

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

2. Either 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 receipt of notice of termination by the other Party. All requests received up to the effective date of termination will be dealt with in accordance with the terms of this Agreement.

3. If the 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 in that behalf by the respective Parties have signed this Agreement.

Done in duplicate, this 26 day of March, 2009.

FOR IRELAND:

**FOR THE STATES OF
GUERNSEY:**

Brian Lenihan

Lyndon Trott

**AGREEMENT BETWEEN IRELAND AND THE STATES OF GUERNSEY
FOR AFFORDING RELIEF FROM DOUBLE TAXATION WITH RESPECT
TO CERTAIN INCOME OF INDIVIDUALS
AND ESTABLISHING A MUTUAL AGREEMENT PROCEDURE IN
CONNECTION WITH THE ADJUSTMENT OF PROFITS OF ASSOCIATED
ENTERPRISES**

The Government of Ireland and the States of Guernsey, recognising that the two Parties have concluded an Agreement for the Exchange of Information Relating to Tax Matters, and desiring to conclude an Agreement for affording relief from double taxation with respect to certain income of individuals and establishing a mutual agreement procedure in connection with the adjustment of profits of associated enterprises,

have agreed as follows:

**ARTICLE 1
PERSONS COVERED**

This Agreement shall apply to persons who are residents of one or both of the Parties.

**ARTICLE 2
TAXES COVERED**

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

- (a) in the case of Guernsey:
 - income tax;
 - (hereinafter referred to as "Guernsey tax");
- (b) in the case of Ireland:
 - (i) income tax;
 - (ii) the income levy; and
 - (iii) corporation tax;
 - (hereinafter referred to as "Irish tax").

2. This Agreement shall apply also to any identical taxes imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. This Agreement shall also apply to any substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes if the Parties so agree. The competent authority of each Party shall notify the other of significant changes in their taxation laws which may affect the matters covered by this Agreement.

ARTICLE 3 DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
 - (a) "Guernsey" means Guernsey, Alderney and Herm, including the territorial sea adjacent to those islands, in accordance with international law;
 - (b) "Ireland" means Ireland and includes any area outside the territorial waters of Ireland which has been or may hereafter be designated under the laws of Ireland concerning the Exclusive Economic Zone and the Continental Shelf, as an area within which Ireland may exercise such sovereign rights and jurisdiction as are in conformity with international law;
 - (c) "competent authority" means in the case of Guernsey, the Director of Income Tax or his delegate, and in the case of Ireland, the Revenue Commissioners or their authorised representative;
 - (d) "enterprise of a Party" and "enterprise of the other Party" mean respectively an enterprise carried on by a resident of a Party and an enterprise carried on by a resident of the other Party;
 - (e) "Party" means the States of Guernsey or Ireland, as the context requires;
 - (f) "person" includes an individual, a company and any other body of persons; and
 - (g) "tax" means Guernsey tax or Irish tax as the context requires.

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 for the purposes of the taxes to which this Agreement applies, 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 RESIDENT

1. For the purposes of this Agreement, the term "resident of a Party" means any person who, under the laws of that Party, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature. This term, however, does not include any person who is liable to tax in that Party in respect only of income from sources in that Party.

2. Where, by reason of the preceding provisions of this Article, a person, being an individual, is a resident of both Parties, then the person's status shall be determined as follows:

- (a) he shall be deemed to be a resident only of the Party in which a permanent home is available to him; if a permanent home is available in both Parties, he shall be deemed to be a resident only of the Party with which his personal and economic relations are closer (centre of vital interests);
- (b) if the Party in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Party, he shall be deemed to be a resident only of the Party in which he has an habitual abode;
- (c) if he has an habitual abode in both Parties or in neither of them, the competent authorities of the Parties shall settle the question by mutual agreement.

3. Where by reason of paragraph 1 a person other than an individual is a resident of both Parties, then it shall be deemed to be a resident only of the Party in which its place of effective management is situated.

ARTICLE 5 PENSIONS AND ANNUITIES

1. Subject to the provisions of Article 6, pensions paid to an individual who is a resident of a Party in consideration of past employment and any annuity paid to such a resident in consideration of past employment shall be taxable only in that Party.

2. The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

ARTICLE 6 GOVERNMENT SERVICE

1. (a) Salaries, wages and other similar remuneration paid by a Party or a local authority thereof to an individual in respect of services rendered to that Party or authority in the discharge of functions of a governmental nature shall be taxable only in that Party.
- (b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Party if the services are rendered in that Party and the individual is a resident of that

Party who did not become a resident of that Party solely for the purpose of rendering the services.

2. Notwithstanding the provisions of paragraph 1, pensions and other similar remuneration paid by, or out of funds created by, a Party or a local authority thereof to an individual in respect of services rendered to that Party or authority in the discharge of functions of a governmental nature shall be taxable only in that Party.

3. The provisions of this Article shall not apply to salaries, wages, pensions and other similar remuneration in respect of services rendered in connection with a business carried on by a Party or a local authority thereof.

ARTICLE 7 STUDENTS

Payments which a student or business apprentice who is or was immediately before visiting a Party a resident of the other Party and who is present in the first-mentioned Party solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that Party, provided that such payments arise from sources outside that Party.

ARTICLE 8 ADJUSTMENT OF PROFITS OF ASSOCIATED ENTERPRISES

1. Where:
 - a) an enterprise of a Party participates directly or indirectly in the management, control or capital of an enterprise of the other Party, or
 - b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Party and an enterprise of the other Party,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Party includes in the profits of an enterprise of that Party, and taxes accordingly, profits on which an enterprise of the other Party has been charged to tax in that other Party and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Party if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Party shall, if it considers that the adjustment is justified, make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such

an adjustment, due regard shall be had to the other provisions of this Agreement.

3. Where a Party intends to adjust the profits of an enterprise in accordance with the principles set out in paragraph 1, it shall in accordance with its domestic law inform the enterprise of the intended action in due time and give it the opportunity to inform the other enterprise so as to give that other enterprise the opportunity to inform in turn the other Party. However, the Party providing such information shall not be prevented from making the proposed adjustment.

ARTICLE 9 MUTUAL AGREEMENT PROCEDURE

1. Where any persons consider that the actions of one or both of the Parties result or will result for them in taxation not in accordance with the provisions of this Agreement, they may, irrespective of the remedies provided by the domestic law of those Parties, present their case to the competent authority of the Party of which they are a resident. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of this Agreement.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Party with a view to the avoidance of taxation which is not in accordance with this Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Parties.

3. The competent authorities of the Parties shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement.

ARTICLE 10 ENTRY INTO FORCE

This Agreement shall enter into force on the thirtieth day after the later of the dates on which each of the Parties has notified the other in writing of the completion of the procedures required by its law for entry into force. Upon the date of entry into force, it shall have effect:

- (a) in Guernsey, in respect of Guernsey tax, for any year of charge beginning on or after the first day of January 2010; and
- (b) in Ireland:
 - (i) in respect of income tax and the income levy for any year of assessment beginning on or after the first day of January 2010;
 - (ii) in respect of corporation tax, for any financial year beginning on or after the first day of January 2010.

**ARTICLE 11
TERMINATION**

1. This Agreement shall remain in force until terminated by either Party.
2. Either Party may terminate this Agreement by giving notice of termination in writing. Such termination shall become effective:
 - (a) in Guernsey, in respect of Guernsey tax, for any year of charge beginning on or after the first day of January in the calendar year next following that in which the notice of termination is given; and
 - (b) in Ireland:
 - (i) in respect of income tax and the income levy, for any year of assessment beginning on or after the first day of January in the calendar year next following that in which the notice of termination is given;
 - (ii) in respect of corporation tax, for any financial year beginning on or after the first day of January in the calendar year next following that in which the notice of termination is given.
3. Notwithstanding the provisions of paragraphs 1 and 2, this Agreement shall, upon receipt of written notice of termination of the Agreement for the Exchange of Information Relating to Tax Matters between the Parties, terminate and cease to be effective on the first day of the month following the expiration of a period of six months after the date of receipt of such notice.

In witness whereof the undersigned being duly authorised in that behalf by the respective Parties have signed this Agreement.

Done in duplicate, this 26 day of March, 2009.

FOR IRELAND:

**FOR THE STATES OF
GUERNSEY:**

Brian Lenihan

Lyndon Trott