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GOVERNMENT SIGNS UP JERSEY IN TAX AGREEMENT

Jersey is to join other Crown Dependencies and Overseas Territories as a signatory to a Tax Information Exchange Agreement (TIEA) with the UK. TIEAs play a vital role in HMRC's drive against offshore avoidance and evasion.

The Financial Secretary to the Treasury, the Rt. Hon Stephen Timms MP said:

“Exchange of information and transparency between countries and territories is vital in combating tax avoidance and evasion. Jersey’s decision to embrace this principle is very welcome and a crucial step in the right direction.

“More countries and territories must now follow Jersey’s example. In coming weeks we will be working with G20 partners to boost global co-operation to address tax evasion. I urge those who have not yet met international standards to think again and start work on the necessary reforms immediately”.

HMRC Permanent Secretary for Tax Dave Hartnett said:

“The importance of this TIEA with Jersey should not be underestimated. It will enable us to obtain the information we need to ensure that the days when putting assets off shore provided an unfair tax advantage are well and truly over.”

The text of the agreement will be accessible on the HMRC website by following the link below:

<http://www.hmrc.gov.uk/international/jersey-eol.pdf>

and will in due course be laid as Schedules to a draft Order in Council for consideration by the House of Commons. It will then also be available from the Stationery Office.

Notes for editors

1. A tax information exchange agreement (TIEA) between the United Kingdom and Jersey will be signed in London on 10 March 2009 by the Rt. Hon. Stephen Timms MP, Financial Secretary to the Treasury and Terry Le Sueur, Chief Minister of Jersey.
2. TIEAs allow governments to enforce their domestic tax laws by exchanging, on request, information relevant to a tax matter covered by the agreement.
3. This will be the fifth comprehensive TIEA signed by the UK. The text broadly follows the OECD Model Agreement on Exchange of Information on Tax Matters. The UK already has a TIEA in place with Bermuda and signed TIEAs with the Isle of Man, the British Virgin Islands and Guernsey. To date, Jersey has signed TIEAs with the United States, the Netherlands, Germany, Denmark, Finland, Greenland, Iceland, Norway, Sweden and the Faroes.
4. Jersey and the UK will also agree to amend the provisions of the 1952 arrangement between the two governments for the avoidance of double taxation with respect to taxes on income, notably to add provisions on the taxation of income from pensions and a mutual agreement procedure.
5. The two agreements will enter into force as soon as both governments have completed the legislative procedures needed to give them effect.

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