

POLITICAL DECLARATION

Today, the Governments of the Faroes and Jersey have agreed to enter into four agreements aimed at strengthening and broadening their current economic and trading relationship.

The Faroes and Jersey have signed an Agreement on the Exchange of Information in Tax Matters. The Agreement constitutes an important step forward in the global effort towards an international financial system that is free of distortions created through lack of transparency and lack of effective exchange of information in tax matters.

Both parties recognise the other’s commitment to comply with international standards and to participate in international efforts to combat money laundering, terrorist financing, financial and other crimes including fiscal crime.

The Faroes and Jersey have also signed a Shipping and Air Transport Agreement; an Agreement for the Avoidance of Double Taxation on Individuals; and a Mutual Agreement Procedure in Connection with the Adjustment of Profits of Associated Enterprises. The objective of these agreements is to eliminate tax obstacles to free trade between the Faroes and Jersey. The two former agreements prevent international double taxation by allocating taxing rights between the Faroes and Jersey and the latter agreement provides for a competent authority procedure for resolving double taxation cases arising in relation to associated enterprises.

Following the entry into force of these agreements, the Faroes and Jersey will continue the dialogue to examine what measures that could be adopted to further enhance and broaden their political and economic relationship including the further alleviation of elements of double taxation, discrimination and other undesired tax barriers and the further extension of the arrangements for information exchange.

The Faroes welcomes Jersey as a member of the community of nations committed to international cooperation and full and effective information exchange on tax matters, and wishes to assure the Government of Jersey that Jersey will be fully and equally treated as such by the authorities of the Faroes.

The Faroes and Jersey look forward to working together to expand their bilateral commercial links and to developing a long term political relationship based on transparency and cooperation.

Helsinki, 28 October 2008

For the Government of the
Kingdom of the Faroes:

For the Government
of Jersey:

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