

## **MEMORANDUM OF UNDERSTANDING**

Jersey and the Netherlands seek a broader economic and trading relationship. Both parties have long been active in international efforts in the fight against financial and other crimes including fiscal crimes and each recognises the other's commitment to comply with international standards on money laundering, terrorist financing and financial regulation.

Jersey and the Netherlands are committed to deepening their relationship through cooperation on greater transparency and exchange of information on tax matters and with the objective of achieving a double taxation agreement taking account of the specific characteristics of the tax systems of both parties. Thereby the relationship between Jersey and the Netherlands is and will continue to be enhanced to the parties mutual benefit.

The Netherlands recognises Jersey's commitment to a policy of improving co-operation, reflected, inter alia, in the signing by Jersey of an Agreement on the Taxation of Savings Income with the Netherlands and each of the other EU Member States. Furthermore, the Netherlands recognises Jersey's commitment towards the work of the OECD's Global Forum on Taxation to achieve a global level playing field in the areas of transparency and effective exchange of information for tax purposes.

Jersey and the Netherlands have decided to introduce immediately:

- a tax information exchange agreement;
- a mutual agreement procedure in connection with the adjustment of profits of associated enterprises;
- a mutual agreement procedure in connection with the conditions for the application of the Netherlands participation exemption and, on this basis,

a mutual understanding that will secure the application of the Netherlands participation exemption in accordance with the rules as set out in the Netherlands corporate income tax Act.

Six months after the entry into force of these agreements negotiations will continue on further measures needed to alleviate undesired tax barriers and other obstacles of a discriminatory nature that may be included in the domestic tax legislation of the parties. In preparation for resuming negotiations Jersey and the Netherlands will study their respective tax systems to identify which undesired tax barriers and other obstacles should be addressed. In due course it is the intention to integrate partial results achieved into a double taxation agreement.

Two years after the date of the entry into force of the agreements signed today, Jersey and the Netherlands will jointly evaluate the results achieved and will consider which further steps may be necessary.

Formal communications, including requests for information, made in connection with or pursuant to the provisions of the Agreements entered into will be in writing directly to the competent authority of the other party at the addresses given below, or such other 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.

In the case of Jersey the address is

The Minister for Treasury and Resources  
PO Box 353  
Cyril Le Marquand House  
The Parade  
St Helier  
JE4 8UL

In the case of the Netherlands the address is:

The Fiscal Information and Investigation Service/Economic Investigation  
Service,  
Belastingdienst/FIOD-ECD/Team Internationaal,  
Postbus 59395  
1040 KJ Amsterdam

For the States of Jersey

For the Government of  
the Kingdom of the Netherlands