
STATUTORY INSTRUMENTS

2014 No. 1359

**CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX
INHERITANCE TAX
VALUE ADDED TAX**

**The International Tax Enforcement
(British Virgin Islands) Order 2014**

Made - - - - *27th May 2014*

A draft of this Order was laid before the House of Commons in accordance with section 173(7) of the Finance Act 2006⁽¹⁾ and approved by a resolution of that House.

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 173(1) to (3) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the International Tax Enforcement (British Virgin Islands) Order 2014.

International tax enforcement arrangements to have effect

2. It is declared that—

- (a) the arrangements specified in the Exchange of Letters set out in Part 1 of the Schedule to this Order and in the Arrangement set out in Part 2 of that Schedule, which amend the arrangements set out in Parts 1 and 2 of the Schedule to the Double Taxation Relief and International Tax Enforcement (Virgin Islands) Order 2009⁽²⁾ have been made with the Government of the British Virgin Islands;
- (b) the arrangements have been made with a view to the exchange of information foreseeably relevant to the administration or enforcement or recovery of the taxes, and debts relating to the taxes, covered by the Arrangement; and

(1) 2006 c. 25.

(2) S.I. 2009/3013.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(c) it is expedient that those arrangements should have effect.

Ceri King
Deputy Clerk of the Privy Council

SCHEDULE 1

Article 2

PART 1

**EXCHANGE OF LETTERS BETWEEN
UNITED KINGDOM AND THE GOVERNMENT
ISLANDS CONCERNING THE 2008 AGREEMENT
GOVERNMENT OF THE UNITED KINGDOM
NORTHERN IRELAND AND THE GOVERNMENT
VIRGIN ISLANDS FOR THE EXCHANGE OF
TO TAXES**

Sir,

Having regard to the wish of our governments to enhance the relationship between the United Kingdom of Great Britain and Northern Ireland and the British Virgin Islands, I have the honour to propose to you an Agreement between the United Kingdom and the British Virgin Islands governing the exchange of information relating to tax matters in the Appendix to this letter. The Agreement will have effect in accordance with paragraph 2 thereof.

I have the honour to propose that, if the above is accepted by the British Virgin Islands, this letter together with its Appendix and

“Having regard to the wish of our governments to enhance governing the exchange of information relating to taxes relationship between the United Kingdom of Great Britain and the Virgin Islands, I have the honour to propose to you an Arrangement Agreement between the United Kingdom and the British Virgin Islands, information relating to tax matters in the Appendix to the Arrangement have effect in accordance with paragraph 2 thereof.

I have the honour to propose that, if the above is accepted by the Virgin Islands, this letter together with its Appendix and the Arrangement constitute our mutual acceptance and making of the Arrangement between Great Britain and Northern Ireland and the British Virgin Islands.

Please accept, Sir, the assurance of my highest consideration.

I am able to confirm that the contents of your letter dated 11th March 2014 on behalf of the Government of the British Virgin Islands, and therefore the Arrangement and its Appendix constitute our mutual acceptance of the Arrangement between the British Virgin Islands and the United Kingdom of Great Britain and Northern Ireland.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the British Virgin Islands

Hon. Dr. Orlando Smith

PART 2

**ARRANGEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE BRITISH VIRGIN ISLANDS
2008 AGREEMENT FOR THE EXCHANGE OF INFORMATION
TO TAXES**

The United Kingdom and the British Virgin Islands (the Parties to the Arrangement between the Parties for the exchange of information (the 2008 Agreement”), have agreed as follows:

1. The following shall be added after Article 5 (Exchange of Information):

“ARTICLE 5

Automatic Exchange of Information

1. The competent authorities of the Parties may authorise their respective tax authorities or other for the purposes referred to in Paragraph 1 (Scope of Exchange of Information) to determine the items of information to be exchanged pursuant to this Article and may be used to exchange such items of information.

2. The competent authorities of the Parties may make such arrangements as may be used for the purposes of this Article.

ARTICLE 5

Spontaneous Exchange of Information

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EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains arrangements comprising an Exchange of Letters and an Arrangement (“the Arrangements”) amending the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Virgin Islands for the exchange of information relating to taxes (“the 2008 Agreement”). The 2008 Agreement was scheduled to the Double Taxation Relief and International Tax Enforcement (Virgin Islands) Order 2009 (S.I. 2009/3013). This Order brings the Arrangements into effect.

Article 2 makes a declaration that it is expedient that the Arrangements should have effect.

The Arrangements relate to the exchange of information in tax matters and add new Articles 5A and 5B to the Agreement to allow for the automatic and spontaneous exchange of information.

The Arrangements will enter into force on the date of the later of the notifications by each territory of the completion of its legislative procedures and take effect for information exchanged on or after that date.

The date of entry into force will, in due course, be published in the *London, Edinburgh and Belfast Gazettes*.

A Tax Information and Impact Note has not been produced for this Order as it gives effect to a previously announced policy to enact a tax information exchange agreement.