



STATUTORY INSTRUMENT

**S.I. No. 459 of 2008**

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EXCHANGE OF INFORMATION RELATING TO TAX MATTERS AND  
DOUBLE TAXATION RELIEF (TAXES ON INCOME) (ISLE OF MAN)  
ORDER 2008

**(Prn. A8/1739)**

EXCHANGE OF INFORMATION RELATING TO TAX MATTERS AND  
DOUBLE TAXATION RELIEF (TAXES ON INCOME) (ISLE OF MAN)  
ORDER 2008

WHEREAS it is enacted by section 826(1B) of the Taxes Consolidation Act 1997 (No. 39 of 1997) that if the Government by order declare that arrangements specified in the order have been made with the government of any territory outside the State in relation to:

- (i) exchanging information for the purposes of the prevention and detection of tax evasion in the case of taxes of any kind or description imposed by the laws of the State or by the laws of that territory,
- (ii) such other matters relating to affording relief from double taxation as the Government consider appropriate,

and that it is expedient that those arrangements should have the force of law, and that the order so made is referred to in Part 3 of Schedule 24A of the Taxes Consolidation Act 1997, then subject to section 826 of that Act, the arrangements shall, notwithstanding anything in any enactment, have the force of law as if such order were an Act of the Oireachtas on and from the date of the insertion of a reference to the order into Part 3 of Schedule 24A:

AND WHEREAS it is further enacted by section 826(6) of the Taxes Consolidation Act 1997 that where such an order is proposed to be made, a draft of the order shall be laid before Dáil Éireann and the order shall not be made until a resolution approving of the draft has been passed by Dáil Éireann:

AND WHEREAS a draft of the following Order has been laid before Dáil Éireann and a resolution approving of the draft has been passed by Dáil Éireann:

NOW, the Government, in exercise of the powers conferred on them by section 826(1B) of the Taxes Consolidation Act 1997, hereby order as follows:

1. This Order may be cited as the Exchange of Information Relating to Tax Matters and Double Taxation Relief (Taxes on Income) (Isle of Man) Order 2008.
2. It is declared—
  - (a) that the arrangements specified in the Agreements, the texts of which are set out in the Schedule, have been made with the Government of the Isle of Man in relation to—

*Notice of the making of this Statutory Instrument was published in  
"Iris Oifigiúil" of 4th November, 2008.*

- (i) the exchange of information relating to tax matters, and
  - (ii) 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, and
- (b) that it is expedient that those arrangements should have the force of law.

SCHEDULE

**AGREEMENT**

**BETWEEN THE GOVERNMENT OF IRELAND AND THE  
GOVERNMENT OF THE ISLE OF MAN FOR THE EXCHANGE OF  
INFORMATION RELATING TO TAX MATTERS**

*and*

**AGREEMENT**

**BETWEEN THE GOVERNMENT OF IRELAND AND THE  
GOVERNMENT OF THE ISLE OF MAN 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**

**AGREEMENT BETWEEN IRELAND AND  
THE ISLE OF MAN  
FOR THE EXCHANGE OF INFORMATION RELATING TO TAX  
MATTERS**

**Whereas** Ireland and the Isle of Man (“the Parties”) recognise that present legislation already provides for cooperation and the exchange of information in criminal tax matters, which under current practice is conducted by Ireland through the Department of Justice, Equality and Law Reform and by the Isle of Man through its Attorney General;

**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 Isle of Man 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 Isle of Man on 13th December 2000 entered into a political commitment to the OECD’s principles of effective exchange of information and actively participated in the drafting of the OECD Model Agreement on Exchange of Information in Tax Matters;

**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 or 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) the income tax;

(ii) the corporation tax;

(iii) the capital gains tax; and

(iv) the capital acquisitions tax;

(b) in the case of the Isle of Man:

the taxes on income or profit.

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 the Republic of Ireland and includes any area outside the territorial waters of Ireland which, in accordance with international law, has been or may hereafter be designated under the laws of Ireland concerning the Continental Shelf as an area within which the rights of Ireland with respect to the sea bed and subsoil and their natural resources may be exercised;

(b) “Isle of Man” means the island of the Isle of Man;

(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 the Isle of Man, the Assessor 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 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) “legal privilege” means:
  - (i) communications between a professional legal advisor and his client or any person representing his client made in connection with the giving of legal advice to the client;
  - (ii) communications between a professional legal advisor and his client or any person representing his client or between such an advisor or his client or any such representative and any other person made in connection with, or in contemplation of, legal proceedings and for the purposes of such proceedings; and
  - (iii) items enclosed with or referred to in such communications and made:
    - (a) in connection with the giving of legal advice; or
    - (b) in connection with, or in contemplation of, legal proceedings and for the purposes of such proceedings, when they are in the possession of a person who is entitled to possession of them.

Items held with the intention of furthering a criminal purpose are not subject to legal privilege;
- (j) “person” means a natural person, a company or any other body or group of persons;
- (k) “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;
- (l) “principal class of shares” means the class or classes of shares representing a majority of the voting power and value of the company;

- (m) “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;
- (n) “recognised stock exchange” means any stock exchange agreed upon by the competent authorities of the Parties;
- (o) “requested Party” means the Party to this Agreement which is requested to provide or has provided information in response to a request;
- (p) “requesting Party” means the Party to this Agreement submitting a request for or having received information from the requested Party;
- (q) “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, for the purposes referred to in 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 beneficial ownership of companies, partnerships 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;

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 possible 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 prior 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, ordinary costs incurred in providing assistance shall be borne by the requested Party, and extraordinary 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 extraordinary.

## **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. The Parties may also agree on other forms of dispute resolution.

## **ARTICLE 10**

### **ENTRY INTO FORCE**

This Agreement shall enter into force when each Party has notified the other in writing of the completion of its necessary internal procedures 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 that date 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 their respective Governments, have signed this Agreement.

**Done** at Dublin, Ireland this 24th day of April, 2008, in duplicate.

<b>FOR IRELAND:</b> Brian Cowen	<b>FOR THE ISLE OF MAN:</b> Allan Bell
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### **PROTOCOL**

At the time of signing the Agreement between Ireland and the Isle of Man for the Exchange of Information Relating to Tax Matters, the Parties have agreed that the following provisions shall form an integral part of the Agreement:

With reference to paragraph 3 of Article 7, if information provided under the provisions of Article 1 in respect of the taxes covered in Article 2 should subsequently prove to be relevant to the determination, assessment, enforcement or collection of Value Added Tax with respect to persons subject to such tax, or to the investigation or prosecution of Value Added Tax matters in relation to such persons, the information may be used for that purpose only with the express written consent of the requested party.

**In witness whereof** the undersigned being duly authorised in that behalf by their respective Governments, have signed this Protocol.

**Done** at Dublin, Ireland this 24th day of April, 2008, in duplicate.

<b>FOR IRELAND:</b> Brian Cowen	<b>FOR THE ISLE OF MAN:</b> Allan Bell
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**AGREEMENT BETWEEN IRELAND AND THE ISLE OF MAN**  
**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 Government of the Isle of Man (“the Parties”), recognising that the two Governments 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 Ireland:

(i) the income tax; and

(ii) the corporation tax;

(hereinafter referred to as “Irish tax”);

(b) in the case of the Isle of Man:

the taxes on income or profit;

(hereinafter referred to as “Manx 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. For the purposes of this Agreement, unless the context otherwise requires:

- (a) “Ireland” means the Republic of Ireland and includes any area outside the territorial waters of Ireland which, in accordance with international law, has been or may hereafter be designated under the laws of Ireland concerning the Continental Shelf as an area within which the rights of Ireland with respect to the sea bed and subsoil and their natural resources may be exercised;
- (b) “Isle of Man” means the island of the Isle of Man;
- (c) “competent authority” means in the case of Ireland, the Revenue Commissioners or their authorised representative, and in the case of the Isle of Man, the Assessor of Income Tax or his or her delegate;
- (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 Ireland or the Isle of Man, as the context requires;
- (f) “person” includes an individual, a company and any other body of persons; and
- (g) “tax” means Irish tax or Manx 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, or in neither of them, 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 endeavour to resolve 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**

### **PROFESSORS AND TEACHERS**

1. A professor or teacher who visits one of the Parties for a period not exceeding two years for the sole purpose of teaching or carrying out advanced study (including research) at a university, college or other recognised research institute or other establishment for higher education in that Party and who was immediately before that visit a resident of the other Party shall be exempt from tax in the first-mentioned Party on any remuneration for such teaching or research for a period not exceeding two years from the date he first visits that Party for such purpose. An individual shall be entitled to the benefits of this Article only once.

2. The preceding provisions of this Article shall not apply to remuneration which a professor or teacher receives for conducting research if the research is undertaken primarily for the private benefit of a specific person or persons.

## **ARTICLE 9**

### **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 profits charged to tax therein. 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 10**

### **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. 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 11**

### **ENTRY INTO FORCE**

This Agreement shall enter into force when each Party has notified the other in writing of the completion of its necessary internal procedures for entry into force. Upon the date of entry into force, it shall have effect:

- (a) in Ireland:
  - (i) in respect of income tax, for any year of assessment beginning on or after 1 January in the calendar year next following the year in which this Agreement enters into force;
  - (ii) in respect of corporation tax, for any financial year beginning on or after 1 January in the calendar year next following the year in which this Agreement enters into force, and;
- (b) in the Isle of Man in respect of Manx tax, for any taxable period beginning on or after 6 April in the calendar year next following the year in which this Agreement enters into force.

**ARTICLE 12**

**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 Ireland:
  - (i) in respect of income tax, for any year of assessment beginning on or after 1 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 1 January in the calendar year next following that in which the notice of termination is given, and;
- (b) in the Isle of Man in respect of Manx tax, for any taxable period beginning on or after 6 April in the calendar year next following that in which the notice of termination is given.

3. Notwithstanding the provisions of paragraph 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 their respective Governments, have signed this Agreement.

**Done** at Dublin, Ireland this 24th day of April, 2008, in duplicate.

<b>FOR IRELAND:</b> Brian Cowen	<b>FOR THE ISLE OF MAN:</b> Allan Bell
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GIVEN under the Official Seal of the Government,  
29 October 2008

BRIAN COWEN,  
Taoiseach.

## EXPLANATORY NOTE.

*(This note is not part of the Instrument and does not purport to be a legal interpretation.)*

This Order gives the force of law to the Tax Information Exchange Agreement (TIEA) and the 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 between Ireland and the Isle of Man, which are set out in the Schedule to the Order. The Agreements were signed in Dublin on 10 March 2008.

The provisions of the Agreements are summarised below.

The Tax Information Exchange Agreement (TIEA) is based on a model agreement that was developed by the OECD. The Agreement allows the tax authorities of Ireland or the Isle of Man to request information from each other in relation to tax matters under investigation, in particular, for bank account information and for information concerning the beneficial ownership of companies, trusts and partnerships. The taxes covered in the case of Ireland are Income Tax, Corporation Tax, Capital Gains Tax and Capital Acquisitions Tax. The possibility of obtaining permission to use information exchanged in VAT investigations is covered in a Protocol to the Agreement. There are also provisions in the Agreement that allow each Party to carry out tax investigations in the territory of the other Party, that allow for the possibility of declining a request, that cover confidentiality and that deal with which Party should bear certain costs incurred in relation to exchanging information under the Agreement. There are also provisions that allow the competent authorities of both Parties to resolve difficulties concerning the interpretation or application of the Agreement.

The 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 applies to Irish Income tax and Corporation Tax and allows for relief from double taxation in respect of certain items of income that might otherwise be subject to tax in both jurisdictions. Income from pensions and annuities arising in one jurisdiction and paid to a resident of the other will be taxed only in that other jurisdiction. Salaries and pensions of government workers will generally be taxed only in the jurisdiction paying the salaries and pensions. Income of students will be taxed only in the jurisdiction where the student is studying, provided that the income arises from sources outside that jurisdiction. Income earned by a professor or teacher who was a resident of one jurisdiction and who is temporarily in the other jurisdiction teaching at a university or college will be exempt from tax for a period of up to two years; the exemption can be availed of only once by such professor or teacher.

The Agreement also has provisions dealing with the adjustment of profits of associated enterprises. They provide that if the tax authority in one jurisdiction

increases the profits of a company resident in it in relation to business transactions with an associated company in the other jurisdiction, the tax authority in the other jurisdiction should make a corresponding downward adjustment in the profits of the associated company if it agrees with the adjustment made by the other tax authority. Finally there is a mutual agreement procedure under which the tax authorities of both jurisdictions can resolve difficulties concerning the interpretation or application of the Agreement.

Both Agreements will enter into force when each country notifies the other of the completion of its procedures for bringing them into force. The TIEA will thereupon come into effect immediately and the Agreement for Affording Relief from Double Taxation will thereupon have effect in both countries for tax periods beginning in the following year.

BAILE ÁTHA CLIATH  
ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR  
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OIFIG DHÍOLTA FOILSEACHÁN RIALTAIS,  
TEACH SUN ALLIANCE, SRÁID THEACH LAIGHEAN, BAILE ÁTHA CLIATH 2,  
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