

*Draft Order laid in Council before the House of Commons under section 173(7) of the Finance Act 2006, for approval by resolution of that House.*

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DRAFT STATUTORY INSTRUMENTS

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**2010 No.**

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

**The International Tax Enforcement (Anguilla) Order 2010**

*Made - - - - [date] [Month] 2010*

At the Court at Buckingham Palace, the [date] day of [Month] 2010

Present,

The Queen's Most Excellent Majesty in Council

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

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 173(1) 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 (Anguilla) Order 2010.

**Tax information exchange 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 arrangements set out in Part 2 of that Schedule have been made with the Government of Anguilla 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 arrangements; and

(b) it is expedient that the arrangements should have effect.

*Name*  
Clerk of the Privy Council

SCHEDULE

Article 2

**PART 1**

**EXCHANGE OF LETTERS BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM AND THE GOVERNMENT OF ANGUILLA  
CONCERNING AN ARRANGEMENT BETWEEN THE GOVERNMENT OF  
THE UNITED KINGDOM AND NORTHERN IRELAND AND THE  
GOVERNMENT OF ANGUILLA FOR THE EXCHANGE OF  
INFORMATION RELATING TO TAXES**

Letter from UK Government

20th July 2009

Sir,

Having regard to the wish of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Anguilla to enhance and facilitate the terms and conditions governing the exchange of information relating to taxes, I have the honour

- to propose to you the arrangements contained in the Arrangement between the Government of the United Kingdom and Northern Ireland and the Government of Anguilla for the exchange of information relating to taxes at Appendix 1 to this letter and that this will come into effect on the date mentioned in Paragraph 13 of the Arrangement;
- to propose our mutual commitment to undertake at the earliest date any internal legislative formalities necessary for the coming into effect of the arrangements and to notify each other without delay when such formalities are completed;

In proposing these arrangements, the intention of the Government of the United Kingdom and the Government of Anguilla is not to apply prejudicial or restrictive measures based on harmful tax practices to residents or citizens of the other party so long as they are in force and effective. In the event that a party applies prejudicial or restrictive measures based on harmful tax practices to residents or citizens of the other party, it is understood that that other party may suspend the operation of the arrangements for as long as such measures apply.

For these purposes, a prejudicial or restrictive measure based on harmful tax practices means a measure applied by one party to residents or citizens of either party on the basis that the other party does not engage in effective exchange of information or because it lacks transparency in the operation of its laws, regulations or administrative practices, or on the basis of no or nominal taxes and one of the preceding criteria. Without limiting the generality of the term "prejudicial or restrictive measures" it includes the denial of a deduction, credit or exemption, the imposition of a tax, charge or levy, or special reporting requirements. Such measures are not limited solely to taxation matters. However, they do not include any generally applicable measure, applied by

either party against, amongst others, members of the OECD generally.

I have the honour to confirm that, if the above is acceptable to the Government of Anguilla, this letter and Appendix 1 thereto together with your reply will constitute the mutual acceptance of the two Governments of the provisions of the said arrangements.

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

**Chris Bryant MP**  
**Parliamentary Under Secretary of State, Foreign and Commonwealth Office**

Letter of Reply from the Government of Anguilla

Sir,

I have the honour to acknowledge receipt of your letter dated 20th July 2009, which reads as follows:

“Sir,

Having regard to the wish of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Anguilla to enhance and facilitate the terms and conditions governing the exchange of information relating to taxes, I have the honour

- to propose to you the arrangements contained in the Arrangement between the Government of the United Kingdom and Northern Ireland and the Government of Anguilla for the exchange of information relating to taxes at Appendix 1 to this letter and that this will come into effect on the date mentioned in Paragraph 13 of the Arrangement;
- to propose our mutual commitment to undertake at the earliest date any internal legislative formalities necessary for the coming into effect of the arrangements and to notify each other without delay when such formalities are completed;

In proposing these arrangements, the intention of the Government of the United Kingdom and the Government of Anguilla is not to apply prejudicial or restrictive measures based on harmful tax practices to residents or citizens of the other party so long as they are in force and effective. In the event that a party applies prejudicial or restrictive measures based on harmful tax practices to residents or citizens of the other party, it is understood that that other party may suspend the operation of the arrangements for as long as such measures apply.

For these purposes, a prejudicial or restrictive measure based on harmful tax practices means a measure applied by one party to residents or citizens of either party on the basis that the other party does not engage in effective exchange of information or because it lacks transparency in the operation of its laws, regulations or administrative practices, or on the basis of no or nominal taxes and one of the preceding criteria. Without limiting the generality of the term "prejudicial or restrictive measures" it includes the denial of a deduction, credit or exemption, the imposition of a tax, charge or levy, or special reporting requirements. Such measures are not limited solely to taxation matters. However, they do not include any generally applicable measure, applied by either party against, amongst others, members of the OECD generally.

I have the honour to confirm that, if the above is acceptable to the Government of Anguilla, this letter and Appendix 1 thereto together with your reply will constitute the mutual acceptance of the two Governments of the provisions of the said arrangements.

Please accept, Sir, the assurance of our highest consideration.”

I am able to confirm that the contents of your letter dated 20th July 2009 and Appendix 1 thereto are acceptable to the Government of Anguilla and together with this reply will constitute the mutual acceptance of our two Governments of the provisions of the proposed arrangements.

Please accept, Sir, the assurance of our highest consideration

**The Honourable Osbourne Fleming**  
**Chief Minister**

20th July 2009