AGREEMENT BETWEEN THE COMPETENT AUTHORITIES OF GUERNSEY AND ANGUILLA ON THE AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION TO IMPROVE INTERNATIONAL TAX COMPLIANCE

Whereas, the States of Guernsey and the Government of Anguilla have a longstanding and close relationship with respect to mutual assistance in tax matters and desire to improve international tax compliance by further building on that relationship;

Whereas, the Common Reporting Standard was developed by the OECD, with G20 countries to tackle tax avoidance and evasion and improve tax compliance;

Whereas, the laws of Anguilla are expected to require financial institutions to report information regarding certain accounts and follow related due diligence procedures, consistent with the scope of exchange contemplated by Section 2 of this Agreement and the reporting and due diligence procedures set out in the Common Reporting Standard;

Whereas, it is expected that the laws of Guernsey and Anguilla would be amended from time to time to reflect updates to the Common Reporting Standard and once such changes are enacted by a Jurisdiction the definition of Common Reporting Standard would be deemed to refer to the updated version in respect of that Jurisdiction;

Whereas, Article 6 of the Arrangement between the States of Guernsey and the Government of Anguilla on the Exchange of Information Relating to Tax Matters (the "TIEA"), authorises the exchange of information for tax purposes on an automatic basis, and allows the competent authorities of Guernsey and Anguilla (the "Competent Authorities") to agree the scope and modalities of such automatic exchanges;

Whereas, Guernsey has, or is expected to have, in place by the time the first exchange takes place (i) appropriate safeguards to ensure that the information received pursuant to this Agreement remains confidential and is used solely for the purposes set out in the TIEA, and (ii) the infrastructure for an effective exchange relationship (including established processes for ensuring timely, accurate, and confidential information exchanges, effective and reliable communications, and capabilities to promptly resolve questions and concerns about exchanges or requests for exchanges and to administer the provisions of Section 4 of this Agreement);

Whereas, the Competent Authorities intend to conclude an agreement to improve international tax compliance based on nonreciprocal automatic exchange pursuant to the TIEA, without prejudice to national legislative procedures (if any), and subject to the confidentiality and other protections provided for therein, including the provisions limiting the use of the information exchanged under the TIEA;

The Competent Authorities acknowledge that the United Kingdom continues to be responsible for the international relations of Guernsey and Anguilla in international law. This Agreement cannot therefore create obligations which are binding under international law and is not intended to alter or affect the respective constitutional relationships between Guernsey and Anguilla and the United Kingdom.

Now, therefore, the Competent Authorities have agreed as follows:

SECTION 1

Definitions

1. For the purposes of this agreement ("Agreement"), the following terms have the following meanings:
    a. the term **"Anguilla"** means the territory of Anguilla, including its territorial sea;
    b. the term **"Guernsey"** means the islands of Guernsey, Alderney and Herm, and the territorial sea adjacent thereto, in accordance with international law, save that any reference to the law of Guernsey is to the law of the island of Guernsey as it applies there and in the islands of Alderney and Herm;
    c. the term **"Competent Authority"** means:
        i. in the case of Anguilla the Permanent Secretary in the Ministry of Finance or the Permanent Secretary's authorised representative; and
        ii. in the case of Guernsey, the Director of the Revenue Service or her delegate;
    d. the term **"Anguilla Financial Institution"** means (i) any Financial Institution that is resident in Anguilla, but excludes any branch of that Financial Institution that is located outside Anguilla, and (ii) any branch of a Financial Institution that is not resident in Anguilla, if that branch is located in Anguilla;
    e. the term **"Reporting Financial Institution"** means any Anguilla Financial Institution that is not a Non-Reporting Financial Institution;
    f. the term **"Reportable Account"** means a Guernsey Reportable Account provided it has been identified as such pursuant to due diligence procedures, consistent with the Common Reporting Standard, in place in Anguilla;
    g. the term **"Guernsey Reportable Account"** means a Financial Account that is maintained by an Anguilla Reporting Financial Institution and held by one or more Guernsey Persons that are Reportable Persons or by a Passive Non-Financial Entity with one or more Controlling Persons that is a Guernsey Reportable Person;
    h. the term **"Guernsey Person"** means an individual or Entity that is identified by an Anguilla Reporting Financial Institution as resident in Guernsey pursuant to due diligence procedures consistent with the Common Reporting Standard, or an estate of a decedent that was a resident of Guernsey;
    i. the term **"TIN"** means a Guernsey TIN;
    j. the term **"Guernsey TIN"** means a Social Security Number;
    k. the term **"Common Reporting Standard"** means the standard for automatic exchange of financial account information in tax matters (which includes the Commentaries), developed by the OECD, with G20 countries.
2. Any capitalised term not otherwise defined in this Agreement will have the meaning that it has at that time under the law of the jurisdiction applying the Agreement, such meaning being consistent with the meaning set forth in the Common Reporting Standard. Any term not otherwise defined in this Agreement or in the Common Reporting Standard will, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the jurisdiction applying this Agreement, any meaning under the applicable tax laws of that jurisdiction prevailing over a meaning given to the term under other laws of that jurisdiction.

SECTION 2

Exchange of Information with Respect to Reportable Accounts

1. Pursuant to the provisions of Article 6 of the TIEA and subject to the applicable reporting and due diligence rules consistent with the Common Reporting Standard, the Anguilla Competent Authority will annually exchange with the Guernsey Competent Authority on an automatic basis the information obtained pursuant to such rules and specified in paragraph 2.
2. The information to be exchanged is with respect to each Guernsey Reportable Account:
    a. the name, address, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of due diligence procedures consistent with the Common Reporting Standard, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, and TIN(s) of the Entity and the name, address, TIN(s) and date and place of birth of each Reportable Person;
    b. the account number (or functional equivalent in the absence of an account number);
    c. the name and identifying number (if any) of the Reporting Financial Institution;
    d. the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;
    e. in the case of any Custodial Account:
        i. the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and
        ii. the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;
    f. in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and
    g. in the case of any account not described in subparagraph 2(e) or (f), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

SECTION 3

Time and Manner of Exchange of Information

1. For the purposes of the exchange of information in Section 2, the amount and characterisation of payments made with respect to a Reportable Account may be determined in accordance with the principles of the tax laws of the jurisdiction exchanging the information.
2. For the purposes of the exchange of information in Section 2, the information exchanged will identify the currency in which each relevant amount is denominated.

3. With respect to paragraph 2 of Section 2, and subject to the notification procedure set out in Section 7, including the dates specified therein, information is to be exchanged with respect to 2019 and all subsequent years and will be exchanged within nine months after the end of the calendar year to which the information relates. The Anguilla Competent Authority will automatically exchange the information described in Section 2 in the Common Reporting Standard schema in Extensible Markup Language.
4. The Competent Authorities will work towards and agree on one or more methods for data transmission including encryption standards with a view to maximising standardisation and minimising complexities and costs.

SECTION 4

Collaboration on Compliance and Enforcement

1. The Guernsey Competent Authority will notify the Anguilla Competent Authority when the first-mentioned Competent Authority has reason to believe that an error may have led to incorrect or incomplete information reporting or there is non-compliance by a Reporting Financial Institution with the applicable reporting requirements and due diligence procedures consistent with the Common Reporting Standard. The Anguilla Competent Authority will take all appropriate measures available under its domestic law to address the errors or non-compliance described in the notice.

SECTION 5

Confidentiality and Data Safeguards

1. All information exchanged is subject to the confidentiality rules and other safeguards provided for in the TIEA, including the provisions limiting the use of the information exchanged and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the Anguilla Competent Authority as required under its domestic law.
2. The Guernsey Competent Authority will notify the Anguilla Competent Authority immediately regarding any breach of confidentiality or failure of safeguards and any sanctions and remedial actions consequently imposed.

SECTION 6

Consultations and Amendments

1. If any difficulties in the implementation or interpretation of this Agreement arise, either Competent Authority may request consultations to develop appropriate measures to ensure that this Agreement is fulfilled.
2. This Agreement may be amended by written agreement of the Competent Authorities. Unless otherwise agreed upon, such an amendment is effective on the first day of the month following the expiration of a period of one month after the date of the later of the signatures of such written agreement or the date of the later of the notifications exchanged for purposes of such written agreement.

SECTION 7

Term of Agreement

1. This Agreement will come into effect on the date of the notification provided by the Anguilla Competent Authority that its jurisdiction has the necessary laws in place to implement the Common Reporting Standard.
2. The Anguilla Competent Authority must provide to the Guernsey Competent Authority notification:
    a. that its jurisdiction has the necessary laws in place to implement the Common Reporting Standard and specifying the relevant effective dates with respect to

Preexisting Accounts, New Accounts, and the application or completion of the reporting and due diligence procedures;

b. specifying one or more methods for data transmission including encryption.

3. The Guernsey Competent Authority must provide to the Anguilla Competent Authority notification:
   a. specifying safeguards, if any, for the protection of personal data;
   b. that it has in place adequate measures to ensure the required confidentiality and data safeguards standards are met and attaching the completed confidentiality and data safeguard questionnaire.
4. A Competent Authority may suspend the exchange of information under this Agreement by giving notice in writing to the other Competent Authority that it has determined that there is or has been significant non-compliance by the other Competent Authority with this Agreement. Such suspension will have immediate effect. For the purposes of this paragraph, significant non-compliance includes, but is not limited to, non-compliance with the confidentiality and data safeguard provisions of this Agreement and the TIEA, a failure by the Competent Authority to provide timely or adequate information as required under this Agreement or defining the status of Entities or accounts as Non-Reporting Financial Institutions and Excluded Accounts in a manner that frustrates the purposes of the Common Reporting Standard.
5. Either Competent Authority may terminate this Agreement by giving notice of termination in writing to the other Competent Authority. Such termination will become effective on the first day of the month following the expiration of a period of 12 months after the date of the notice of termination. In the event of termination, all information previously received under this Agreement will remain confidential and subject to the terms of the TIEA.

DONE in duplicate at St Peter Port, Guernsey on this 13th day of February 2020 and at The Valley, Anguilla on this 19th day of February 2020.

Competent Authority for Guernsey

Competent Authority for Anguilla