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The Hon. Curtis Dickinson, JP, MP  
Minister of Finance,  
Government of Bermuda,  
Government Administration Building,  
30 Parliament Street,  
Hamilton,  
Bermuda HM12

4 February 2019

Sir,

**EXCHANGE OF LETTERS BETWEEN THE STATES OF GUERNSEY AND  
BERMUDA CONCERNING AN ARRANGEMENT FOR THE AUTOMATIC EXCHANGE OF  
INFORMATION RELATING TO TAX MATTERS**

Having regard to the wish of our respective governments 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 Arrangement between the States of Guernsey and Bermuda for the Automatic Exchange of Information Relating to Tax Matters, contained in the Appendix to this letter, and that this Arrangement shall have effect in accordance with Paragraph 8 thereof.

Guernsey and Bermuda recognise that we share a common commitment to comply with international standards on the exchange of information relating to tax matters, including the OECD standard for Automatic Exchange of Financial Account Information, referred to as the Common Reporting Standard ("CRS").

The Parties acknowledge that the United Kingdom continues to be responsible for the international relations of Guernsey and Bermuda 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 Bermuda and the United Kingdom.

I have the honour to propose that, if the above is acceptable to Bermuda, this letter together with its Appendix and your confirmation shall together constitute our mutual acceptance and making of the Arrangement between the States of Guernsey and Bermuda for the Automatic Exchange of Information Relating to Tax Matters.

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

## Appendix

### AN ARRANGEMENT BETWEEN THE STATES OF GUERNSEY AND BERMUDA FOR THE AUTOMATIC EXCHANGE OF INFORMATION RELATING TO TAX MATTERS

#### **Paragraph 1**

##### **Scope of the Arrangement**

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 Arrangement, including information that is foreseeably relevant to the determination, assessment, enforcement or collection of tax, with respect to persons subject to such taxes, or to the investigation or prosecution of tax matters in relation to such persons. A Party is not obliged to provide information which is neither held by its authorities nor in the possession of or obtainable by persons who are within its territorial jurisdiction. Information shall be exchanged in accordance with the provisions of this Arrangement and shall be treated as confidential in the manner provided in Paragraph 5 (Confidentiality). The rights and safeguards secured to persons by the laws or administrative practice of the Parties remain applicable. The Parties shall use their best endeavours to ensure that the effective exchange of information is not unduly prevented or delayed.

The Parties acknowledge that the United Kingdom continues to be responsible for the international relations of Guernsey and Bermuda 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 Bermuda and the United Kingdom.

#### **Paragraph 2**

##### **Taxes Covered**

1. This Arrangement shall apply to the following taxes imposed :

a) by Guernsey:

(i) income tax;

b) by Bermuda:

(i) The existing taxes which are the subject of this Arrangement are direct taxes of every kind and description.

## **Paragraph 6**

### **Costs**

The incidence of costs incurred in providing assistance shall be agreed by the competent authorities of the Parties.

## **Paragraph 7**

### **Mutual Agreement Procedure**

1. Where difficulties or doubts arise between the Parties regarding the implementation or interpretation of this Arrangement, the respective competent authorities shall use their best endeavours to resolve the matter by mutual agreement.
2. In addition to the agreements referred to in sub-paragraph 1, the competent authorities of the Parties may mutually agree on the procedures to be used under Paragraphs 4 (Automatic Exchange of Information) and 6 (Costs).
3. The competent authorities of the Parties may communicate with each other directly for purposes of reaching agreement under this Paragraph.

## **Paragraph 8**

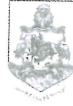
### **Entry into Force**

1. Each of the Parties shall notify the other in writing of the completion of the procedures required by its law for the entry into force of this Arrangement.
2. The Arrangement shall enter into force on the date of the later of these notifications and shall thereupon have effect, with respect to automatically exchanging information under Paragraph 4 (Automatic Exchange of Information), for calendar years commencing on or after 1 January 2018.

## **Paragraph 9**

### **Termination**

1. This Arrangement shall remain in force until terminated by a Party.
2. Either Party may terminate the Arrangement by giving written notice of termination in writing to the other Party. In such case, the Arrangement shall cease to have effect on the first day of the month following the expiration of a period of six months after the date of receipt of notice of termination by the other Party.
3. In the event of termination, both Parties shall remain bound by the provisions of Paragraph 5 (Confidentiality) with respect to any information obtained under the Arrangement.



GOVERNMENT OF BERMUDA

## Ministry of Finance

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### Ministry of Finance Headquarters

The Honourable Gavin St. Pier  
Deputy Chief Minister  
Sir Charles Frossard House  
St. Peter Port, Guernsey  
GY1 1FH

5<sup>th</sup> March 2019

Sir,

I have the honour to acknowledge receipt of your letter of 4<sup>th</sup> February 2019, which reads as follows:

“Sir,

*Having regard to the wish of our respective governments 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 Arrangement between the States of Guernsey and Bermuda for the Automatic Exchange of Information Relating to Tax Matters, contained in the Appendix to this letter, and that this Arrangement shall have effect in accordance with Paragraph 8 thereof.*

*Guernsey and Bermuda recognise that we share a common commitment to comply with international standards on the exchange of information relating to tax matters, including the OECD standard for Automatic Exchange of Financial Account Information, referred to as the Common Reporting Standard (“CRS”).*

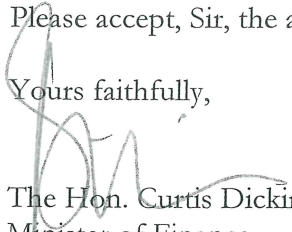
*The Parties acknowledge that the United Kingdom continues to be responsible for the international relations of Guernsey and Bermuda in international law. This Agreement cannot therefore create obligations which are binding under international law and is not intended to alter or affect the respective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



*I have the honour to propose that, if the above is acceptable to Bermuda, this letter together with its Appendix and your confirmation shall together constitute our mutual acceptance and making of the Arrangement between the States of Guernsey and Bermuda for the Automatic Exchange of Information Relating to Tax Matters.*

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

Yours faithfully,



The Hon. Curtis Dickinson, JP MP  
Minister of Finance  
Government of Bermuda

## **Appendix**

### **AN ARRANGEMENT BETWEEN THE STATES OF GUERNSEY AND BERMUDA FOR THE AUTOMATIC EXCHANGE OF INFORMATION RELATING TO TAX MATTERS**

#### **Paragraph 1**

##### **Scope of the Arrangement**

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 Arrangement, including information that is foreseeably relevant to the determination, assessment, enforcement or collection of tax, with respect to persons subject to such taxes, or to the investigation or prosecution of tax matters in relation to such persons. A Party is not obliged to provide information which is neither held by its authorities nor in the possession of or obtainable by persons who are within its territorial jurisdiction. Information shall be exchanged in accordance with the provisions of this Arrangement and shall be treated as confidential in the manner provided in Paragraph 5 (Confidentiality). The rights and safeguards secured to persons by the laws or administrative practice of the Parties remain applicable. The Parties shall use their best endeavours to ensure that the effective exchange of information is not unduly prevented or delayed.

The Parties acknowledge that the United Kingdom continues to be responsible for the international relations of Guernsey and Bermuda 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 Bermuda and the United Kingdom.

#### **Paragraph 2**

##### **Taxes Covered**

1. This Arrangement shall apply to the following taxes imposed :
  - a) by Guernsey:
    - (i) income tax;
  - b) by Bermuda:

- (i) The existing taxes which are the subject of this Arrangement are direct taxes of every kind and description.
- 2. This Arrangement shall also apply to any identical or any substantially similar taxes imposed after the date of signature of the Arrangement in addition to or in place of the existing taxes, or any substantially similar taxes if the Parties so agree. The competent authorities of each Party shall notify the other of any substantial changes in laws which may affect the obligations of that Party pursuant to this Arrangement.

### **Paragraph 3**

#### **Definitions**

For the purposes of this Arrangement, unless the context otherwise requires, any term shall have the meaning that it has at that time under the Arrangement between the States of Guernsey and Bermuda for the Exchange of Information Relating to Tax Matters, signed by Guernsey on 19 September, 2013, and by Bermuda on 23 October, 2013.

### **Paragraph 4**

#### **Automatic Exchange of Information**

1. The competent authorities may automatically transmit information to each other for the purposes referred to in Paragraph 1 (Scope of the Arrangement). The competent authorities shall determine the items of information to be exchanged pursuant to this Paragraph and the procedures to be used to exchange such items of information.
2. The competent authorities may mutually agree on additional procedures to be used for the purposes of this Paragraph.

### **Paragraph 5**

#### **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 Paragraph 1 (Scope of the Arrangement), 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 Paragraph 1 without the express written consent of the competent authority of the Party that provided the information.

4. Information provided to a Party under this Arrangement may not be disclosed to any other jurisdiction. \*

## **Paragraph 6**

### **Costs**

The incidence of costs incurred in providing assistance shall be agreed by the competent authorities of the Parties.

## **Paragraph 7**

### **Mutual Agreement Procedure**

1. Where difficulties or doubts arise between the Parties regarding the implementation or interpretation of this Arrangement, the respective competent authorities shall use their best endeavours to resolve the matter by mutual agreement.
2. In addition to the agreements referred to in sub-paragraph 1, the competent authorities of the Parties may mutually agree on the procedures to be used under Paragraphs 4 (Automatic Exchange of Information) and 6 (Costs).
3. The competent authorities of the Parties may communicate with each other directly for purposes of reaching agreement under this Paragraph.

## **Paragraph 8**

### **Entry into Force**

1. Each of the Parties shall notify the other in writing of the completion of the procedures required by its law for the entry into force of this Arrangement.
2. The Arrangement shall enter into force on the date of the later of these notifications and shall thereupon have effect, with respect to automatically exchanging information under Paragraph 4 (Automatic Exchange of Information), for calendar years commencing on or after 1 January 2018.

## **Paragraph 9**

### **Termination**

1. This Arrangement shall remain in force until terminated by a Party.



2. Either Party may terminate the Arrangement by giving written notice of termination in writing to the other<sup>3</sup> Party. In such case, the Arrangement shall cease to have effect on the first day of the month following the expiration of a period of six months after the date of receipt of notice of termination by the other Party.
3. In the event of termination, both Parties shall remain bound by the provisions of Paragraph 5 (Confidentiality) with respect to any information obtained under the Arrangement.