



## **PORTCULLIS TRUSTNET**

**PTN eUpdates – Keeping you informed (Issue 20 – Dec 2009)**

### **BRITISH VIRGIN ISLANDS UPDATE**

#### **The British Virgin Islands signs TIEA with PRC**

**On 7 December 2009, the British Virgin Islands (“BVI”) signed the BVI’s 17<sup>th</sup> Tax Information Exchange Agreement (“TIEA”) with the People’s Republic of China (“PRC”).**

The TIEA covers mainland China and does not apply to Hong Kong, Macau or Taiwan and is only in respect of exchange of information in relation to direct taxation; it does not cover indirect taxation. The TIEA is expected to have effect from the BVI 2011-2012 tax year.

Both Governments have agreed by signing the TIEA:-

- not to apply restrictive tax measures to residents or nationals of either Party, which would include BVI companies, so long as the TIEA is in force and effective; and
- not to engage in “fishing expeditions” or request information that is unlikely to be relevant to the tax affairs of a given taxpayer.

In August 2009 BVI was included in the Organisation for Economic Cooperation and Development’s (“OECD”) White List of jurisdictions that have substantially complied with the OECD’s principles of transparency and exchange of information.

The signing of the TIEA with the PRC reflects the BVI’s continued commitment to maintain transparency in the financial services industry and comply with international standards.

To date the BVI has signed TIEAs with the PRC, Ireland, the Kingdom of the Netherlands, the Netherlands Antilles and Aruba the United States, The United Kingdom, Australia, New Zealand, France and the Nordic Alliance including Sweden, Norway, Finland, Denmark, Iceland, The Faroes and Greenland.

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