



Double Tax Agreements (Turks and Caicos Islands) Order 2010

Anand Satyanand, Governor-General

Order in Council

At Wellington this 8th day of June 2010

Present:

His Excellency the Governor-General in Council

Pursuant to section BH 1 of the Income Tax Act 2007, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following order.

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Schedule 2

**Agreement between the Government of New Zealand
and the Government of the Turks and Caicos Islands
on the exchange of information with respect to taxes**

Order

- 1 Title**
This order is the Double Tax Agreements (Turks and Caicos Islands) Order 2010.
- 2 Commencement**
This order comes into force on the 28th day after the date of its notification in the *Gazette*.
- 3 Commencement of agreement**
The agreement set out in the Schedule comes into force on the date referred to in Article 14 of the agreement as the date on which the agreement enters into force.
- 4 Purposes**
The arrangements specified in the agreement set out in the Schedule have been negotiated with the Turks and Caicos Islands for 1 or more of the purposes set out in section BH 1(2) of the Income Tax Act 2007.
- 5 Arrangements to have effect**
The arrangements specified in the agreement set out in the Schedule have effect according to the agreement.

Schedule

cls 3, 4, 5

Agreement between the Government of New Zealand and the Government of the Turks and Caicos Islands on the exchange of information with respect to taxes

Whereas New Zealand and the Turks and Caicos Islands (“the Contracting Parties”) recognise continuing co-operation and provision of assistance in criminal tax matters;

Whereas the Contracting 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 Turks and Caicos Islands under the terms of its Entrustment from the United Kingdom has the right to negotiate, conclude, and perform a tax information exchange agreement with New Zealand;

Whereas the Turks and Caicos Islands in March of 2002 entered into a formal written commitment to the Organisation for Economic Co-operation and Development's principles of transparency and exchange of information and subsequently have participated actively in the Organisation for Economic Co-operation and Development's Global Forum on Taxation;

Whereas the Contracting Parties wish to enhance and facilitate the terms and conditions governing the exchange of information with respect to taxes;

Now, therefore, the Contracting Parties have agreed to conclude the following Agreement which contains obligations on the part of the Contracting Parties only:

Article 1

Object and scope of this agreement

The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of those Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8.

Article 2

Jurisdiction

To enable the appropriate implementation of this Agreement, information shall be provided in accordance with this Agreement by the competent authority of the Requested Party:

- (a) without regard to whether the person to whom the information relates is a resident or national of a Contracting Party, or

Article 2—*continued*

- whether the person by whom the information is held is a resident or national of a Contracting Party; and
- (b) provided that the information is present within the territory, or in the possession or control of a person subject to the jurisdiction, of the Requested Party.

Article 3

Taxes covered

1. The existing taxes which are the subject of this Agreement are:
 - (a) in the case of New Zealand, taxes of every kind and description; and
 - (b) in the case of the Turks and Caicos Islands, passenger tax, stamp duties, and hotel and restaurant tax.
2. This Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The Agreement shall also apply to such other taxes as may be agreed in an exchange of letters between the Contracting Parties. The competent authorities of the Contracting Parties shall notify each other of any substantial changes to the taxation and related information gathering measures covered by this Agreement.
3. This Agreement shall not apply to taxes imposed by municipalities, local authorities, or possessions of a Contracting Party.

Article 4

Definitions

1. For the purposes of this Agreement, unless otherwise defined:
 - (a) the term “New Zealand” means the territory of New Zealand but does not include Tokelau; it also includes any area beyond the territorial sea designated under New Zealand legislation and in accordance with international law as an area in which New Zealand may exercise sovereign rights with respect to natural resources;

Article 4—*continued*

- (b) the term “the Turks and Caicos Islands” means the territory of the Turks and Caicos Islands;
- (c) the term “collective investment fund or scheme” means any pooled investment vehicle, irrespective of legal form. The term “public collective investment fund or scheme” means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;
- (d) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;
- (e) the term “competent authority” means in the case of New Zealand, the Commissioner of Inland Revenue or an authorised representative of the Commissioner and, in the case of the Turks and Caicos Islands, the Permanent Secretary in the Ministry of Finance or the Permanent Secretary’s authorised representative;
- (f) the term “Contracting Party” means New Zealand or the Turks and Caicos Islands as the context requires;
- (g) the term “information” means any fact, statement or record in any form whatever;
- (h) the term “information gathering measures” means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;
- (i) the term “person” includes an individual, a company and any other body of persons;
- (j) the term “principal class of shares” means the class or classes of shares representing a majority of the voting power and value of the company;
- (k) the term “publicly traded company” means any company whose principal class of shares is listed on a recog-

Article 4—*continued*

- nised 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) the term “recognised stock exchange” means any stock exchange agreed upon by the competent authorities of the Contracting Parties;
 - (m) the term “Requested Party” means the Contracting Party requested to provide information;
 - (m) the term “Requesting Party” means the Contracting Party to this Agreement submitting a request for or having received information from the Requested Party; and
 - (o) the term “tax” means any tax to which this Agreement applies.
2. As regards the application of this Agreement at any time by a Contracting 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, 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 5

Exchange of information upon request

1. The competent authority of the Requested Party shall provide upon request information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the conduct being investigated would constitute a crime under the laws of the Requested Party if such conduct occurred in the Requested Party. If the information received by the competent authority of the Requested Party is not sufficient to enable it to comply with the request for information, it shall advise the competent authority of the Requesting Party of that fact and request such additional information as may be required to enable the effective processing of the request.

Article 5—*continued*

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, that Party shall use all relevant information gathering measures 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 Contracting Party shall ensure that its competent authority for the purposes specified in Article 1 of this Agreement, has the authority to obtain and provide upon request:
 - (a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees;
 - (b) information regarding the ownership of companies, partnerships, trusts and other persons, including, within the constraints of Article 2, ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees, beneficiaries and protectors;. Further, this Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.
5. Notwithstanding the preceding paragraph, this Agreement does not create an obligation on the Contracting Parties to obtain or provide information which is older than a legally required time period for retaining that information in the jurisdiction of the Requested Party and where that information is in fact no longer kept.
6. The competent authority of the Requesting Party shall provide the following information to the competent authority of the

Article 5—*continued*

Requested Party when making a request for information under this Agreement to demonstrate the foreseeable relevance of the information to the request:

- (a) the identity of the person under examination or investigation;
- (b) the period for which the information is requested;
- (c) a statement of the information sought including its nature and the form in which the Requesting Party wishes to receive the information from the Requested Party;
- (d) the tax purpose for which the information is sought;
- (e) reasonable grounds for believing that the information requested is held in the Requested Party or is in the possession or control of a person subject to the jurisdiction of the Requested Party;
- (f) to the extent known, the name and address of any person believed to be in possession of the requested information;
- (g) a statement that the request is in conformity with the law 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 the information request is in conformity with this Agreement; and
- (h) a statement that the Requesting Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

7. The competent authority of the Requested Party shall forward the requested information as promptly as possible to the Requesting Party. To ensure a prompt response, the competent authority of the Requested Party shall:

- (a) confirm receipt of a request in writing to the competent authority of the Requesting Party and shall notify the competent authority of the Requesting Party of de-

Article 5—*continued*

- ficiencies in the request, if any, within 60 days of the receipt of the request; and
- (b) if the competent authority of the Requested Party has been unable to obtain and provide the information within 90 days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the Requesting Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

Article 6

Tax examinations abroad

1. A Contracting Party may, to the extent allowable under its domestic laws, following reasonable notice of not less than fourteen days, allow representatives of the competent authority of the other Contracting Party to enter the territory of the first-mentioned Party to interview individuals and examine records with the written consent of the persons concerned. The competent authority of the second-mentioned Party shall notify the competent authority of the first-mentioned Party of the time and place of the meeting with the individuals concerned.
2. At the request of the competent authority of one of the Contracting Parties, the competent authority of the other Contracting Party may to the extent allowable under its domestic laws, allow representatives of the competent authority of the first-mentioned Party to be present at the appropriate part of a tax examination in the second-mentioned Party.
3. If the request referred to in paragraph 2 is acceded to, the competent authority of the Contracting Party conducting the examination shall, as soon as possible, notify the competent authority of the other Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the first-mentioned Party for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the Party conducting the examination.

Article 7

Possibility of declining a request

1. The Requested Party shall not be required to obtain or provide information that the Requesting Party would not be able to obtain under its own laws for purposes of the administration or enforcement of its own tax laws. The competent authority of the Requested Party may decline to assist where the request is not made in conformity with this Agreement.
2. The provisions of this Agreement shall not impose on a Contracting Party the obligation to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process. Notwithstanding the foregoing, information of the type referred to in paragraph 4 of Article 5 shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph.
3. The provisions of this Agreement shall not impose on a Contracting Party the obligation to obtain or provide information, which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are:
 - (a) produced for the purposes of seeking or providing legal advice; or
 - (b) produced for the purposes of use in existing or contemplated legal proceedings.
4. The Requested Party may decline a request for information if the disclosure of the information would be contrary to public policy (*ordre public*).
5. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed by the taxpayer.
6. 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 of the Requested Party as compared with a national of the Requesting Party in the same circumstances.

Article 8

Confidentiality

Any information received by a Contracting Party under this Agreement shall be treated as confidential and may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. The information may not be disclosed to any other person or entity or authority or any other jurisdiction without the express written consent of the competent authority of the Requested Party.

Article 9

Safeguards

Nothing in this Agreement shall affect the rights and safeguards secured to persons by the laws or administrative practice of the Requested Party. The rights and safeguards shall not be applied by the Requested Party in a manner that unduly prevents or delays effective exchange of information.

Article 10

Costs

Incidence of costs incurred in providing assistance (including reasonable costs of third Contracting Parties and external advisors in connection with litigation or otherwise) shall be agreed by the Contracting Parties in accordance with a less-than-treaty status Memorandum of Understanding.

Article 11

No prejudicial or restrictive measures

1. Neither of the Contracting Parties shall apply prejudicial or restrictive measures based on harmful tax practices to residents or nationals of either Contracting Party so long as this Agreement is in force and effective.

Article 11—*continued*

2. A “prejudicial or restrictive measure based on harmful tax practices” is a measure applied by one Contracting Party to residents or nationals of either Contracting Party on the basis that the other Contracting Party does not engage in effective exchange of information and/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.
3. Without limiting the generality of paragraph 2 the term “prejudicial or restrictive measure” includes the denial of a deduction, credit or exemption, the imposition of a tax, charge or levy, or special reporting requirements.

Article 12

Implementation legislation

The Contracting Parties shall enact any legislation necessary to comply with, and give effect to, the terms of this Agreement.

Article 13

Mutual agreement procedure

1. The competent authorities of the Contracting Parties shall jointly endeavour to resolve any difficulties or doubts arising as to the interpretation or application of this Agreement.
2. In addition to the endeavours referred to in paragraph 1, the competent authorities of the Contracting Parties may mutually determine the procedures to be used under Articles 5 and 6.
3. The competent authorities of the Contracting Parties may communicate with each other directly for the purposes of this Article.
4. The Contracting Parties may agree on other forms of dispute resolution.

Article 14

Entry into force

1. The Government of New Zealand and the Government of the Turks and Caicos Islands shall notify each other in writing through the appropriate channel of their constitutional and legal procedures for the entry into force of this Agreement. This Agreement shall enter into force on the date of the last notification, and shall thereupon have effect for taxable periods beginning on or after 1 April following entry into force or, where there is no taxable period, for all charges to tax arising on or after 1 April following into force.
2. The provisions of this Agreement shall apply in their terms to information predating the coming into force of this Agreement.

Article 15

Termination

1. This Agreement shall continue in effect indefinitely, but either of the Contracting Parties may, give to the other Contracting Party written notice of termination through the appropriate channel.
2. Such termination shall become effective on the first day of the month following the expiration of a period of 6 months after the date of receipt of notice of termination by the other Contracting Party.
3. Notwithstanding any termination of this Agreement, the Contracting Parties shall remain bound by the provisions of Article 8 with respect to any information obtained under this Agreement.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

DONE in duplicate in the English language.

For the Government
of New Zealand:

Derek Leask

New Zealand High
Commissioner to the
United Kingdom of Great
Britain and Northern Ireland

Done at London this 11th day
of December 2009

For the Government
of the Turks and Caicos Islands:

Mr Gordon Wetherell
Governor

Done at London this 11th day of
December 2009

Rebecca Kitteridge,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on the 28th day after the date of its notification in the *Gazette*, gives effect to an agreement between New Zealand and the Turks and Caicos Islands on the exchange of information with respect to taxes.

The agreement comes into force when the parties have notified each other that domestic procedures for bringing the agreement into force have been completed.

Once it has entered into force, the agreement has effect in relation to the exchange of information relating to taxes despite anything in the Income Tax Act 2007, any other Inland Revenue Act, the Official Information Act 1982, or the Privacy Act 1993.

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**Double Tax Agreements (Turks and
Caicos Islands) Order 2010**

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 10 June 2010.

This order is administered by the Inland Revenue Department.
