

Isle of Man

The Isle of Man has met all aspects of the terms of reference (ToR) for the calendar year 2017 (year in review) and no recommendations are made.

In the prior year report, the Isle of Man did not receive any recommendations.

The Isle of Man can legally issue two types of rulings within the scope of the transparency framework. In practice, the Isle of Man has issued rulings within the scope of the transparency framework as follows:

- Two past rulings;
- For the calendar year 2017: no future rulings, and
- For the year in review: no future rulings.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from the Isle of Man.

Introduction

This peer review covers the Isle of Man's implementation of the BEPS Action 5 transparency framework for the year 2018. The report has four parts, each relating to a key part of the ToR. Each part is discussed in turn. A summary of recommendations is included at the end of this report.

A. The information gathering process

The Isle of Man can legally issue the following two types of rulings within the scope of the transparency framework: (i) cross-border giving a unilateral downward adjustment to the taxpayer's taxable profits in the country giving the ruling; and (ii) permanent establishment rulings.

Past rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1, I.4.2.2)

For the Isle of Man, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2015 but before 1 April 2017; or (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2015.

In the prior year peer review report, it was determined that the Isle of Man's undertakings to identify past rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. The Isle of Man's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Future rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1)

For the Isle of Man, future rulings are any tax rulings within scope that are issued on or after 1 April 2017.

In the prior year peer review report, it was determined that the Isle of Man's undertakings to identify future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. The Isle of Man's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Review and supervision (ToR I.4.3)

In the prior year peer review report, it was determined that the Isle of Man's review and supervision mechanism was sufficient to meet the minimum standard. The Isle of Man's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Conclusion on section A

The Isle of Man has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information

Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)

The Isle of Man has the necessary domestic legal basis to exchange information spontaneously. The Isle of Man notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

The Isle of Man is a party to international agreements permitting spontaneous exchange of information, including (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011) (“the Convention”), (ii) double tax agreements in force with 10 jurisdictions, all of which allow for spontaneous exchange of information and (iii) more than 30 tax information exchange agreements, of which four permit spontaneous exchange of information.¹

Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)

In the prior year peer review report, it was determined that the Isle of Man’s process for the completion and exchange of templates were sufficient to meet the minimum standard. The Isle of Man’s implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

As the Isle of Man did not issue any future rulings in scope of the transparency framework in the relevant period, the Isle of Man was not required to exchange any information on rulings in the year in review and no data on the timeliness of exchanges can be reported.

Conclusion on section B

The Isle of Man has the necessary legal basis for spontaneous exchange of information and a process for completing the templates and exchanges in a timely way. The Isle of Man has met all of the ToR for the exchange of information process and no recommendations are made.

C. Statistics (ToR IV)

As there was no information on rulings exchanged by Isle of Man for the year in review, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.4.1.3)

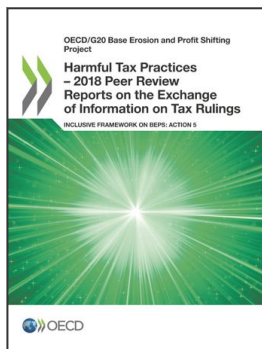
The Isle of Man does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[5]) were imposed.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

Notes

¹ Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. The Isle of Man has bilateral agreements in force with Bahrain, British Virgin Islands, Cayman Islands, Estonia, Guernsey, Jersey, Luxembourg, Malta, Qatar, Seychelles, Singapore, Turks & Caicos Islands, United Kingdom and United States.



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