

## Isle of Man

1. The Isle of Man was first reviewed during the 2017/2018 peer review. This report is supplementary to Isle of Man's 2017/2018 peer review report (OECD, 2018<sup>[1]</sup>). The first filing obligation for a CbC report in the Isle of Man applies to reporting fiscal years commencing on or after 1 January 2017. The Isle of Man also allowed its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2016 (i.e. "parent surrogate filing").

### Summary of key findings

2. The Isle of Man's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sup>[2]</sup>).

### Part A: The domestic legal and administrative framework

3. The Isle of Man has primary law in place for implementing the BEPS Action 13 minimum standard<sup>1</sup> establishing the necessary requirements, including the filing and reporting obligations. Guidance was also published.<sup>2</sup>

#### *(a) Parent entity filing obligation*

4. No changes were identified with respect to the parent entity filing obligation.

#### *(b) Scope and timing of parent entity filing*

5. No changes were identified with respect to the scope and timing of parent entity filing.

#### *(c) Limitation on local filing obligation*

6. No changes were identified with respect to the limitation on local filing obligation.

#### *(d) Limitation on local filing in case of surrogate filing*

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

#### *(e) Effective implementation*

8. With respect to the monitoring point in the Isle of Man's 2017/2018 peer review relating to a specific process that would allow to take appropriate measures in case the Isle of Man is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report, the Isle of Man indicates it would follow the same compliance measures for CbCR as it does for other AEOI reporting (FATCA & the CRS) to resolve any errors/inaccuracies notified to it by a receiving jurisdiction, which involves engaging with Reporting Entities to amend any such errors, and where necessary apply penalties

under see Regulations 11, 12, 13 and 18. In light of this procedure, the monitoring point in the Isle of Man's 2017/2018 peer review is removed.

### ***Conclusion***

9. There is no change to the conclusion in relation to the domestic legal and administration framework for the Isle of Man since the previous peer review. The Isle of Man meets all the terms of reference relating to the domestic legal and administrative framework.

## **Part B: The exchange of information framework**

### ***(a) Exchange of information framework***

10. As of 31 May 2019, the Isle of Man has 58 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, the Isle of Man has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.<sup>3</sup> Regarding the Isle of Man's exchange of information framework, no inconsistencies with the terms of reference were identified.

### ***(b) Content of information exchanged***

11. The Isle of Man has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

### ***(c) Completeness of exchanges***

12. The Isle of Man has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

### ***(d) Timeliness of exchanges***

13. The Isle of Man has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

### ***(e) Temporary suspension of exchange or termination of QCAA***

14. The Isle of Man has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

### ***(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance***

15. The Isle of Man has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the

relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

***(g) Format for information exchange***

16. The Isle of Man confirms that it uses the OECD XML Schema and User Guide (OECD, 2017<sub>[6]</sub>) for the international exchange of CbC reports.

***(h) Method for transmission***

17. The Isle of Man indicates that it uses the Common Transmission System to exchange CbC reports.

***Conclusion***

18. The Isle of Man has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The Isle of Man meets all the terms of reference regarding the exchange of information.

## **Part C: Appropriate use**

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

***Conclusion***

21. The Isle of Man meets all the terms of reference relating to the appropriate use of CbC reports.

## Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

## Notes

<sup>1</sup> Primary law consists Section 104B of the Income Tax Act 1970 and secondary law includes the Income Tax (Country-by-Country Reporting) Regulation 2017.

<sup>2</sup> CbCR guidance was published on the Income Tax Division website at [www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/international-agreements/base-erosion-and-profit-shifting/action-13-country-by-country-reporting](http://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/international-agreements/base-erosion-and-profit-shifting/action-13-country-by-country-reporting).

<sup>3</sup> It is noted that a few Qualifying Competent Authority agreements are not in effect with jurisdictions of the Inclusive Framework that meet the confidentiality condition and have legislation in place: this may be because the partner jurisdictions considered do not have the Convention in effect for the first reporting period, or may not have listed the reviewed jurisdiction in their notifications under Section 8 of the CbC MCAA.



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