

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF MONTSERRAT TO IMPROVE INTERNATIONAL TAX COMPLIANCE

Whereas, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Montserrat (each, a "Party") have an ongoing relationship with respect to mutual assistance in tax matters and desire to conclude an agreement to improve international tax compliance by further building on that relationship;

Whereas, Article 14 of the 1947 Arrangement between the United Kingdom of Great Britain and Northern Ireland and the Government of Montserrat for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income as amended by the 1968 Arrangement (the "DTA") authorises exchange of information for tax purposes, including on an automatic basis;

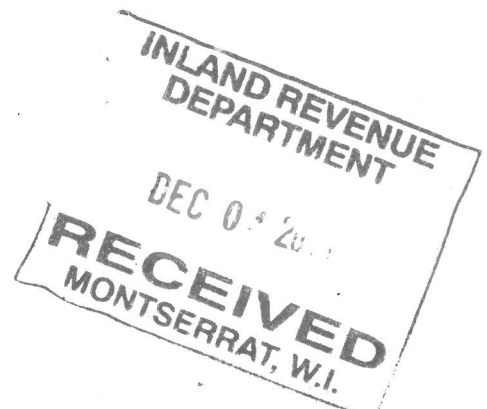
Whereas, both Parties are committed to compliance with international standards of transparency and exchange of information for tax purposes and are supportive of improving tax compliance;

Whereas, the Parties are committed to working together over the longer term towards achieving common reporting and due diligence standards for financial institutions;

Whereas, the Parties are committed to promoting a new single global standard in the automatic exchange of tax information and will look to align this agreement to that new global standard in due course;

Whereas, the Parties desire to conclude an agreement to improve international tax compliance based on domestic reporting and automatic exchange of information pursuant to the DTA and subject to the confidentiality and other protections provided for therein, including the provisions limiting the use of the information exchanged under the DTA;

Now, therefore, the Parties have agreed as follows:



ARTICLE 1

Definitions

1. For purposes of this agreement and any annexes thereto ("Agreement"), the following terms shall have the meanings set forth below:

- a) The term "**United Kingdom**" means Great Britain and Northern Ireland, including any area outside the territorial sea of the United Kingdom which in accordance with international law has been or may hereafter be designated, under the laws of the United Kingdom concerning the Continental Shelf, as an area within which the rights of the United Kingdom with respect to the sea bed and sub-soil and their natural resources may be exercised.
- b) The term "**Montserrat**" means the territory of Montserrat.
- c) The term "**Double Taxation Arrangement**" means the 1947 Arrangement between the United Kingdom of Great Britain and Northern Ireland and Montserrat for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income as amended by the 1968 Arrangement, as amended from time to time or to such equivalent provisions contained in any successor arrangement.
- d) The term "**HMRC**" means Her Majesty's Revenue and Customs.
- e) The term "**Competent Authority**" means:
 - (1) in the case of the United Kingdom, the Commissioners for HMRC or their authorised representative; and
 - (2) in the case of Montserrat, the Comptroller of Inland Revenue.
- f) The term "**U.S. Treasury Regulations**" means the U.S. Regulations Relating to Information Reporting by Foreign Financial Institutions and Withholding on Certain Payments to Foreign Financial Institutions and Other Foreign Entities. In the event that these Regulations are amended, then the term "U.S. Treasury Regulations" shall mean the amended Regulations where both Parties agree that any or all of the amendments should apply.
- g) The term "**Financial Institution**" means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

