

Political Declaration

The Isle of Man and the Netherlands seek a broader economic and trading relationship commencing with co-operation on greater transparency and exchange of information in tax matters and aiming for a double taxation agreement taking account of the specific characteristics of the tax systems of both parties. Accordingly, the relationship between the Isle of Man and the Netherlands is and will continue to be enhanced.

The Isle of Man and the Netherlands are committed to deepen their relationship and have agreed to introduce immediately:

- a tax information exchange agreement;
- a mutual agreement procedure in connection with the adjustment of profits of associated enterprises;
- a mutual agreement procedure in connection with the conditions for the application of the Netherlands participation exemption and, on this basis, a mutual understanding that will secure the continuation of the application of the Netherlands participation exemption when the Isle of Man introduces a zero rate for corporate income tax.
- an instrument to alleviate double taxation for international traffic (shipping and aircraft operations).

Six months after the entry into force of these measures negotiations will continue on further measures needed to alleviate undesired tax barriers and other obstacles of a discriminatory nature that may be included in the domestic tax legislation of the parties. In preparation for resuming negotiations the Isle of Man and the Netherlands will study their respective tax systems to identify which undesired tax barriers and other obstacles should be addressed. In

due course it is the intention to integrate partial results achieved into a double taxation agreement.

Two years after the date of the entry into force of the measures signed today, the Isle of Man and the Netherlands will jointly evaluate the results achieved and will consider which further steps may be necessary.

For the Government of the Isle of Man

Treasury Minister

(Allan Bell)

For the Government of the Netherlands

State Secretary for Finance

(Joop Wijn)