

Isle of Man Dispute Resolution Profile

Last updated: March 2019

General Information

- **Isle of Man tax treaties are available at:**

www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/international-agreements/double-taxation-agreements/

- **MAP requests should be made to:**

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Isle of Man
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s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
A. Preventing Disputes				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	Yes	Generally, agreements relating to a category of taxpayers would be published as either a Government Circular or Practice Note. To date the only such publications relate to the interpretation and application of certain pension articles. To assist taxpayers in the future, the Isle of Man will, where possible, publish a summary (anonymised) of successfully completed MAP cases (unless to do so could, nevertheless, lead to the identification of the taxpayer involved).	The Isle of Man’s Practice Note on the interpretation and application of certain pension articles in its DTAs is available here .
2.	Are bilateral APA programmes implemented? If yes:	No	The Isle of Man does not make APAs.	-
a.	Are roll-back of APAs provided for in the bilateral APA programmes?	N/A	-	-
b.	Are there specific timeline for the filing of an APA request?	N/A	-	-
c.	Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer’s request for bilateral APA assistance, publicly available?	N/A	-	-

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d.	Are there any fees charged to taxpayers for a bilateral APA request?	N/A	-	-
e.	Are statistics relating to bilateral APAs publicly available?	N/A	-	-
3.	Is training provided to your officials involved in the auditing /examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?	Yes	All officers involved in international taxation receive in house training on international issues. This is currently being reviewed as its DTA with the UK, originally signed in 1955, has recently been replaced.	In house training material is not published.
4.	Is other information available on preventing tax treaty-related disputes?	No		

Notes:

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the ***OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations*** (“Transfer Pricing Guidelines”).
2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

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B. Availability and Access to MAP				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	<p>The Isle of Man has 11 comprehensive DTAs: 10 include the model wording of paragraph 2 of Article 9. 1 (Qatar) contains very similar wording to para 2 of article 9.</p> <p>The Isle of Man also has [13] limited DTAs some of which only apply to individuals and some which only relate to transfer pricing cases.</p>	Isle of Man guidance on MAP is available here .
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	See detailed explanation	Yes, to the extent that the matter is permitted/covered by the relevant treaty.	-
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	See detailed explanation	Yes, to the extent that the matter is permitted/covered by the relevant treaty.	-
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	Yes		Isle of Man guidance on MAP is available here .

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9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	Yes	-	Isle of Man guidance on MAP is available here .
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	No	-	-
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	-	Isle of Man guidance on MAP is available here .
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	-	-

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13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	Yes	Public guidance is provided on how to make a MAP request and the sort of information that should be provided.	Isle of Man guidance on MAP is available here .
14.	Are there specific timeline for the filing of a MAP request?	Yes	Each treaty sets out the latest date by which a MAP request should be submitted.	-
15.	Are guidance on multilateral MAPs publicly available?	No	The Isle of Man has no treaties, at present, which permit multilateral MAPs.	-
16.	Are tax collection procedures suspended during the period a MAP case is pending?	Yes	Taxpayers have the ability to make requests for tax collection to be suspended.	-
17.	Are there any fees charged to taxpayers for a MAP request?	No	-	-
18.	Is there any other information available on availability and access to MAP?	Yes	-	Isle of Man guidance on MAP is available here .

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C. Resolution of MAP Cases				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	Yes	Yes see page 9 of the Isle of Man’s public guidance.	Isle of Man guidance on MAP is available here .
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	No	The Isle of Man has too few MAP cases to publish statistics.	-
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	Yes	Penalties and interest will be reduced in proportion to any MAP related adjustments made.	-
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	See detailed explanation	The Isle of Man has too few cases to have a designated MAP office. Details of the roles and responsibility for cases are included in the Isle of Man’s public guidance.	Isle of Man guidance on MAP is available here .
23.	Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties? If not:	Yes	MAP arbitration is a mechanism currently available in five of the Isle of Man’s comprehensive DTAs.	-
a.	<ul style="list-style-type: none"> Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties? 	N/A	-	-
b.	<ul style="list-style-type: none"> Does your treaty policy allow you to include MAP arbitration in your tax treaties? 	N/A	-	-

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24.	Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available? If yes:	Yes	An explanation is available in the Isle of Man’s public guidance at page 6.	Isle of Man guidance on MAP is available here .
a.	<ul style="list-style-type: none"> Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice? 	See detailed explanation	See question 24.	-
25.	Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?	Yes	-	-
26.	Do all your jurisdiction’s tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction’s tax treaties)?	See detailed explanation	All of the Isle of Man’s comprehensive DTAs include the model wording of paragraph 2 of Article 9 apart from the agreement with Qatar.	-
27.	Is there any other information available on resolution of MAP cases?	No	-	-

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D. Implementation of MAP Agreements				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	Yes	The Isle of Man’s public guidance provides that the Isle of Man competent authority will ensure that any agreement reached by Competent Authorities will be implemented on a timely basis (see page 9).	Isle of Man guidance on MAP is available here .
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	Yes	See answer to question 28 above.	Isle of Man guidance on MAP is available here .
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	Yes		-
31.	Is there any other information available on the implementation of MAP agreements?	No	-	-