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**PRESS RELEASE**

The Government of the Commonwealth of Dominica (hereinafter referred to as Dominica) is pleased to announce that it will participate in the Organisation for Economic Co-Operation and Development (OECD's) Initiative on Harmful Tax Practices. By publishing the attached Annex, Dominica thereby commits to the principles of transparency and effective exchange of information.

Dominica has established and implemented a comprehensive anti-money laundering regulatory framework that is applicable to all areas of its offshore financial services sector. Moreover Dominica has enacted legislation to facilitate the exchange of information on tax matters with foreign jurisdictions directly through its competent authority.

While Dominica strongly supports the OECD's work on Harmful Tax Practices, it remains committed to protecting its economic interests and fiscal autonomy in any future negotiations with the OECD. Dominica wishes to stress that the issue of a level playing field is critical to those interests.

The End

## Attachment

This attachment outlines the measures that the Government of Dominica will take on a phased basis by 31 December 2005 to implement its commitment to the principles of transparency and effective exchange of information. Details of these measures and a specific timetable will be developed together with the OECD.

### **1. Establishing a process for effective exchange of information**

- Dominica agrees to the effective exchange of information for criminal tax matters beginning in the first year after 31 December 2003 and for civil tax matters beginning in the first year after 31 December 2005. Such exchanges shall be achieved through the adoption of tax information exchange agreements that require the effective exchange of information in specific tax matters upon request. The tax information exchange agreements will include protections against unauthorized disclosures or unauthorized use of information. Dominica is therefore prepared to enter into tax information exchange agreements with OECD countries that do not presently have an arrangement for the exchange of information with Dominica.
- In a case involving information required for the investigation and prosecution of criminal tax matters, the information will be provided without the requirement that the conduct being investigated would constitute a crime under the Laws of Dominica if it occurred in Dominica.
- In the case of information requested in the context of a civil tax matter, the absence of a Dominican tax interest in the case or in obtaining the information shall not be a bar to the provision of information. The incidence of costs incurred in providing such assistance shall be agreed in the context of the exchange of information agreements entered into by Dominica in satisfaction of its commitment. Flexibility is expected in determining the incidence of costs to take into account factors such as the likely flow of information requests between the two parties to the agreement, whether both parties have income tax administrations, the capacity of each party to obtain and provide information, and the volume of information involved.

### **2. Transparency**

- Dominica will ensure that information on beneficial ownership of Dominica companies, partnerships and other legal entities established in Dominica, including managers and beneficiaries of collective investment funds and trustees and beneficiaries of trusts is available to its tax or regulatory authorities. This will include companies and other legal entities operating from Dominica provided

that the information is present within the territory, or in the possession or control of a person subject to the jurisdiction of Dominica. Dominica agrees that such information will be subject to exchange under tax information exchange agreements referred to in paragraph 1 above.

- Subject to de minimis exceptions to be developed by Dominica together with the OECD and other committed jurisdictions, Dominica will require that companies, partnerships, trusts and other legal entities established in Dominica or having a place of business in Dominica maintain up to date accounts which are prepared in accordance with generally accepted accounting standards. Subject to other exceptions to be developed by Dominica together with the OECD and other committed jurisdictions, the companies, partnerships, trusts and other legal entities that are required to keep accounts will also be subject to either an audit or filing requirement. Dominica agrees that such statements will be subject to exchange agreements referred to in paragraph 1 above.
- Dominica agrees that its Comptroller of Inland Revenue or other competent authorities will have access to bank information of persons and companies liable to tax in OECD countries to the extent necessary to perform obligations under a tax information exchange agreement concluded pursuant to paragraph 1.

### **3. Standstill**

The Government of Dominica will ensure that:

- No new regime or practice is introduced that fails to comply with the principles of transparency and effective exchange of information; and
- No existing regime or practice is modified in such a way that after the modification it would not comply with the principles of transparency and effective exchange of information.