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## **U.S., Gibraltar Sign Tax Information Exchange Agreement**

*U.S. Treasury Secretary Tim Geithner, Gibraltar Chief Minister Peter Caruana Sign Agreement to Allow for Exchange of Information on Tax Matters Today in London Ahead of G20 Leaders Summit*

WASHINGTON – The U.S. Department of the Treasury and the Government of Gibraltar today announced that the United States and Gibraltar have signed an agreement to allow for exchange of information on tax matters between the United States and Gibraltar. The agreement was signed by Secretary Tim Geithner and Gibraltar Chief Minister Peter Caruana in London in advance of the G20 Leaders Meeting, where the topic of offshore tax evasion and strengthening the implementation of international standards by offshore financial centers will be a topic of discussion.

President Obama's FY2010 budget calls for a robust portfolio of Internal Revenue Service (IRS) international tax compliance initiatives. "The President's budget makes a commitment to reduce international tax avoidance. As part of this commitment, the Treasury Department is embarking on an ambitious effort to deal with offshore compliance as evidenced by today's agreement with Gibraltar," said Treasury Secretary Geithner. "I will continue to demand transparency from countries on behalf of American taxpayers. I look forward to Gibraltar's cooperation with the United States and to this agreement serving as an example for other financial centers around the world."

The Chief Minister of Gibraltar, Peter Caruana said, "We are delighted that our first agreement of this kind is with the United States. Gibraltar is committed to the OECD standard and the offer of such an agreement is open to other countries. Properly regulated exchange of information has become increasingly important. We look forward to co-operating with the United States under this agreement. As part of the European Union Gibraltar already complies with EU standards of financial regulation and exchange of information."

The Tax Information Exchange Agreement (TIEA) with Gibraltar will provide the United States with access to information it needs to enforce U.S. tax laws, including information related to bank accounts in Gibraltar. The TIEA is the first of its kind for Gibraltar.

The TIEA will permit the United States to seek information from Gibraltar and vice versa on all types of taxes in both civil and criminal matters. As with all agreements to exchange information, only specific tax authorities are allowed to receive and send information. Information exchanged pursuant to the TIEA may be used only for tax purposes, and the tax authorities must safeguard the confidentiality of information exchanged pursuant to the TIEA.

The TIEA will allow the United States to ask for criminal tax information relating to any taxable year and for civil tax information relating to taxable years beginning after 2008 (assuming that the TIEA enters into force this year). Under this agreement, Gibraltar obtains the same facilities from the United States.