

**Joint Senate Committee on Treaties**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Australian Taxation Office**

Hearing – 11 May 2009

**Isle of Man taxation agreements**

**Question (Chair) – TR3**

*Do you see it as being significantly different from the present arrangements? Do you see it as a step forward when compared with the present arrangements?*

**Response**

The Attorney General's Department has confirmed that Australia does not have a bilateral treaty on mutual assistance in criminal matters with the Isle of Man. Section 12 of the *Mutual Assistance in Criminal Matters Act 1987* (Commonwealth of Australia) allows Australia to make a mutual assistance request to any country. Requests can seek assistance in criminal matters including matters relating to tax fraud. It is a matter for the foreign country and its domestic requirements whether or not the request will be accepted and executed.

The *Agreement between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland concerning the Investigation, Restraint and Confiscation of the Proceeds and Instruments of Crime* done at Canberra on 6 February 1997 does not incorporate the Isle of Man. The Crown Dependency of the Isle of Man is not part of the United Kingdom and the Isle of Man is itself wholly responsible for executing mutual assistance requests within its own jurisdiction.

**Question (Mr Murphy) – TR4**

*Have we any idea of the number of former residents of the Isle of Man living in Australia who would be affected by this agreement?*

**Response**

The latest information available is from the 2006 Census which revealed there were 689 persons born in the Isle of Man (IOM) living in Australia. While this does not directly equate to the number of former IOM residents who would be impacted by the agreement as a current resident of Australia for tax purposes, it indicates the number of people impacted would be minimal.

The main potential impact of this agreement would be where a person from the IOM now resides in Australia and is receiving an IOM pension. The agreement on the allocation of taxing rights provides that pensions paid from the IOM to a resident of Australia are only taxed in Australia. As there would be an even smaller number of people receiving a pension from the IOM, the revenue cost would be negligible and rounded to zero.