

2017

*Mutual Exchange of Information on
Taxation Matters Order*

SRO. 39

ARRANGEMENT OF SECTIONS

1. Citation
2. Definition
3. Amendment of Schedule II of the principal Act

2017

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GRENADA

STATUTORY RULES AND ORDERS NO. 39 OF 2017

THE MINISTER IN EXERCISE OF THE POWERS CONFERRED ON HIM BY SECTION 3(5)
OF THE MUTUAL EXCHANGE OF INFORMATION ON TAXATION MATTERS ACT
NO. 24 OF 2011 HEREBY MAKES THE FOLLOWING ORDER—

(Gazetted 1st December, 2017).

1. Citation. This Order may be cited as the

MUTUAL EXCHANGE OF INFORMATION ON TAXATION MATTERS
ORDER, 2017.

2. Definition. In this Order—

“principal Act” means the Mutual Exchange of Information on Taxation Matters
Act No. 24 of 2011.

3. Amendment of Schedule II of the principal Act. Schedule II of the principal
Act is amended by inserting after the “Agreement between the Government of Grenada
and the Government of the Republic of South Africa for the Exchange of Information
relating to Tax Matters” the following—

AGREEMENT

BETWEEN

GRENADA

AND

CANADA

FOR THE EXCHANGE OF INFORMATION ON TAX MATTERS

ACCORD

ENTRE

LA GRENADE

ET

LE CANADA

SUR L'ÉCHANGE DE RENSEIGNEMENTS EN MATIÈRE FISCALE

AGREEMENT

BETWEEN

GRENADA

AND

CANADA

FOR THE EXCHANGE OF INFORMATION ON TAX MATTERS

GRENADA AND CANADA, desiring to facilitate the exchange of information with respect to taxes,

HAVE AGREED as follows:

ARTICLE 1

OBJECT AND SCOPE OF THIS AGREEMENT

1. The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8.
2. The Contracting Parties shall ensure that any right or safeguard granted to persons by the respective laws and administrative practices of the Contracting Parties is not applied in a manner which unduly prevents or delays the effective exchange of information.

ARTICLE 2

JURISDICTION

A requested Party is not obligated to provide information which is neither held by its authorities nor in the possession or control of persons who are within its territorial jurisdiction.

ARTICLE 3

TAXES COVERED

1. The taxes which are the subject of this Agreement are:
 - (a) in Canada, all taxes imposed or administered by the Government of Canada;
 - (b) in Grenada, all taxes imposed or administered by the Government of Grenada.
2. This Agreement shall also apply to any identical or substantially similar taxes that are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting Parties shall notify each other of any significant changes that have been made in the taxation laws of their Contracting Parties.

ARTICLE 4

DEFINITIONS

1. For the purposes of this Agreement, unless otherwise defined:
 - (a) the term “Contracting Party” means Grenada or Canada as the context requires;
 - (b) the term “competent authority” means:
 - (i) in the case of Canada, the Minister of National Revenue or the Minister’s authorised representative;
 - (ii) in the case of Grenada, the Comptroller of Inland Revenue or the Comptroller’s authorised representative;
 - (c) the term “person” includes an individual, a company, a trust, a partnership and any other body of persons;
 - (d) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;

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- (e) the term “publicly traded company” means any company whose principal class of shares is listed on a recognised stock exchange provided that its listed shares can be readily purchased and sold by the public. Shares can be purchased or sold “by the public” if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
 - (f) the term “principal class of shares” means the class or classes of shares representing a majority of the voting power and value of the company;
 - (g) the term “recognised stock exchange” means any stock exchange agreed upon by the competent authorities of the Contracting Parties;
 - (h) the term “collective investment fund or scheme” means any pooled investment vehicle, irrespective of legal form. The term “public collective investment fund or scheme” means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased and sold, or readily purchased and redeemed, by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;
 - (i) the term “tax” means any tax to which this Agreement applies;
 - (j) the term “applicant Party” means the Contracting Party requesting information;
 - (k) the term “requested Party” means the Contracting Party requested to provide information;
 - (l) the term “information gathering measures” means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information; and
 - (m) the term “information” means any fact, statement or record in any form whatever.

2. As regards the application of this Agreement at any time by a Contracting Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Contracting Party, any meaning under the applicable tax laws of that Contracting Party prevailing over a meaning given to the term under other laws of that Contracting Party.

ARTICLE 5

EXCHANGE OF INFORMATION UPON REQUEST

1. The competent authority of the requested Party shall provide upon request information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the conduct being investigated would constitute a crime under the laws of the requested Party if such conduct occurred in the territory of the requested Party.

2. If the information in the possession of the competent authority of the requested Party is not sufficient to enable it to comply with the request for information, that Party shall use all relevant information gathering measures to provide the applicant Party with the information requested, notwithstanding that the requested Party may not need such information for its own tax purposes.

3. If specifically requested by the competent authority of the applicant Party, the competent authority of the requested Party shall provide information under this Article, to the extent allowable under the domestic laws of the requested Party, in the form of depositions of witnesses and authenticated copies of original records.

4. Each Contracting Party shall ensure that its competent authority for the purposes specified in Article 1 of this Agreement, has the authority to obtain and provide upon request:

- (a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees;

- (b) information regarding the ownership of companies, partnerships, trusts, foundations, “Anstalten” and other persons, including, within the constraints of Article 2, ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees and beneficiaries; and, in the case of foundations, information on founders, members of the foundation council and beneficiaries. This Agreement does not create an obligation for the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

5. The competent authority of the applicant Party shall provide the following information to the competent authority of the requested Party when making a request for information under this Agreement to demonstrate the foreseeable relevance of the information to the administration and enforcement of the tax laws of the applicant Party:

- (a) the identity of the person under examination or investigation;
- (b) a description of the information sought including its nature and the form in which the applicant Party wishes to receive the information from the requested Party;
- (c) the tax purpose for which the information is sought;
- (d) the grounds for believing that the information requested is held in the territory of the requested Party or is in the possession or control of a person within the jurisdiction of the requested Party;
- (e) to the extent known, the name and address of any person believed to be in possession of the requested information;
- (f) a statement that the request is in conformity with the laws and administrative practices of the applicant Party, that if the requested information were within the jurisdiction of the applicant Party then the

competent authority of the applicant Party would be able to obtain the information under the laws of the applicant Party or in the normal course of administrative practice, and that it is in conformity with this Agreement; and

- (g) a statement that the applicant Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

6. The competent authority of the requested Party shall forward the requested information as promptly as possible to the applicant Party. To ensure a prompt response, the competent authority of the requested Party shall confirm receipt of a request in writing to the competent authority of the applicant Party and shall:

- (a) if there are any deficiencies in the request, notify the competent authority of the applicant Party of those deficiencies within 60 days of the receipt of the request; and
- (b) if it is unable to obtain and provide the information within 90 days of receipt of the request, if it encounters obstacles in furnishing the information, or if it refuses to furnish the information, immediately inform the competent authority of the applicant Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

ARTICLE 6

TAX EXAMINATIONS ABROAD

1. A Contracting Party may allow representatives of the competent authority of the other Contracting Party to enter the territory of the first-mentioned Party to interview individuals and examine records with the written consent of the persons concerned. The competent authority of the second-mentioned Party shall notify the competent authority of the first-mentioned Party of the time and place of the meeting with the individuals concerned.

2. At the request of the competent authority of one Contracting Party, the competent authority of the other Contracting Party may allow representatives of the competent authority of the first-mentioned Party to be present at the appropriate part of a tax examination in the territory of the second-mentioned Party.

3. If the request referred to in paragraph 2 is acceded to, the competent authority of the Contracting Party conducting the examination shall, as soon as possible, notify the competent authority of the other Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the first-mentioned Party for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the Contracting Party conducting the examination.

ARTICLE 7

POSSIBILITY OF DECLINING A REQUEST

1. The requested Party shall not be required to obtain or provide information that the applicant Party would not be able to obtain under its own laws for purposes of the administration or enforcement of its own tax laws. The competent authority of the requested Party may decline to assist where the request is not made in conformity with this Agreement.

2. The provisions of this Agreement shall not impose on a Contracting Party the obligation to supply information which would disclose any trade, business, industrial, commercial or professional secret, or trade process. Notwithstanding the foregoing, information of the type referred to in Article 5, paragraph 4, shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph.

3. The provisions of this Agreement shall not impose on a Contracting Party the obligation to obtain or provide information, which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are produced for the purposes of:

- (a) seeking or providing legal advice; or
- (b) use in existing or contemplated legal proceedings.

4. The requested Party may decline a request for information if the disclosure of the information would be contrary to public policy (ordre public).

5. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

6. The requested Party may decline a request for information if the information is requested by the applicant Party to administer or enforce a provision of the tax laws of the applicant Party, or any requirement connected therewith, which discriminates against a national of the requested Party as compared with a national of the applicant Party in the same circumstances.

ARTICLE 8

CONFIDENTIALITY

Any information received by a Contracting Party under this Agreement shall be treated as confidential and may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, taxes in that jurisdiction. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. The information may not otherwise be disclosed to any other person or entity or authority or any other jurisdiction without the express written consent of the competent authority of the requested Party.

ARTICLE 9

COSTS

Incidence of costs incurred in providing assistance shall be agreed by the competent authorities of the Contracting Parties.

ARTICLE 10**OTHER INTERNATIONAL AGREEMENTS OR ARRANGEMENTS**

The possibilities of assistance provided by this Agreement do not limit, nor are they limited by, those contained in existing international agreements or other arrangements between the Contracting Parties which relate to co-operation in tax matters.

ARTICLE 11**MUTUAL AGREEMENT PROCEDURE**

1. Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of this Agreement, the competent authorities shall endeavour to resolve the matter by mutual agreement.
2. In addition to the agreements referred to in paragraph 1, the competent authorities of the Contracting Parties may mutually agree on the procedures to be used under Articles 5 and 6.
3. The competent authorities of the Contracting Parties may communicate with each other directly for purposes of reaching agreement under this Article.
4. The Contracting Parties may also agree on other forms of dispute resolution.

ARTICLE 12**ENTRY INTO FORCE**

This Agreement shall enter into force on the date of the later notice by which each Contracting Party has notified the other Contracting Party of the completion of its necessary internal procedures for entry into force. Upon entry into force, it shall have effect:

- (a) for tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the applicant Party (irrespective of whether contained in the tax laws, the criminal code or other statutes), from the date of entry into force; and

- (b) for all other matters covered in Article 1, from the date of entry into force, but only in respect of taxable periods beginning on or after that date, or where there is no taxable period, all charges to tax arising on or after that date.

ARTICLE 13

TERMINATION

1. A Contracting Party may terminate this Agreement by serving a notice of termination through diplomatic channels to the other Contracting Party.
2. This Agreement shall terminate on the first day of the month following the expiration of a period of six months after the date of the notice of termination.
3. Where a Contracting Party terminates this Agreement, the Contracting Parties shall remain bound by the provisions of Article 8 with respect to any information obtained under this Agreement.

IN WITNESS WHEREOF, the undersigned being duly authorised thereto, have signed this Agreement.

DONE in duplicate at *St. Georges* this *14th* day of *July* 2017,
in the English and French languages, each version being equally authentic.



FOR GRENADA



FOR CANADA

2017

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Made by the Minister this 27th day of November, 2017.

KEITH MITCHELL
Minister responsible for Finance.

GRENADA

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