

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE TAX INFORMATION  
AUTHORITY LAW (2009 REVISION) TO FURTHER CLARIFY AND  
CONFIRM THE ABILITY OF THE CAYMAN ISLANDS TO PROVIDE  
INFORMATION RELATING TO TAX MATTERS TO OTHER  
JURISDICTIONS IN ACCORDANCE WITH THE INTERNATIONAL  
STANDARD FOR CO-OPERATION IN TAX MATTERS; AND TO  
PROVIDE FOR INCIDENTAL AND CONNECTED PURPOSES**



**THE TAX INFORMATION AUTHORITY (AMENDMENT) BILL, 2012**

**MEMORANDUM OF OBJECTS AND REASONS**

This Bill amends the Tax Information Authority Law (2009 Revision) to further clarify and confirm the ability of the Cayman Islands to provide information relating to tax matters to other jurisdictions in accordance with the international standard for co-operation in tax matters.

Clause 1 provides the short title.

Clause 2 amends section 2 of the principal Law by deleting the definition of the words “items subject to legal privilege” for consistency with the language of scheduled Agreements and with the international standard.

Clause 3 amends section 3 of the principal Law to include other agreements that have been scheduled to the Law in the exception provided by section 3(2). Clause 3 also provides for the deletion of section 3(4) for consistency with the international standard.

Clause 4 amends section 17 of the principal Law to clarify that the notification provisions apply to individuals only. Clause 4 also repeals the notice provision that was given effect by section 17(5). In accordance with the international standard, the new subsection (5) inserted creates an exception to the requirement for notice to be given by the Authority to an individual who is the subject of a request in urgent cases or in cases where notification is likely to undermine the success of the investigation in the requesting jurisdiction.

Clause 5 amends section 20 of the principal Law by inserting a provision which clarifies that all information provided and received by the Authority in relation to a request made under a scheduled Agreement shall be kept confidential.

Clause 6 amends section 21(1) of the principal Law to prohibit parties, without the prior written consent of the Authority, from transmitting or using information or evidence provided under the Law for purposes, investigations or proceedings other than those within the scope of a scheduled Agreement or Part IV of the Law.

**THE TAX INFORMATION AUTHORITY (AMENDMENT) BILL, 2012**

**ARRANGEMENT OF CLAUSES**

1. Short title
2. Amendment of section 2 of the Tax Information Authority Law (2009 Revision) - definitions and interpretation
3. Amendment of section 3 - implementation
4. Amendment of section 17 - notification
5. Amendment of section 20 - confidentiality with regard to a request
6. Amendment of section 21 - restriction on use of information

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ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Tax Information Authority (Amendment) Law, 2012. Short title
  
2. The Tax Information Authority Law (2009 Revision), in this Law referred to as the “principal Law”, is amended in section 2 as follows - Amendment of section 2  
of the Tax Information  
Authority Law (2009  
Revision) - definitions  
and interpretation
  - (a) in subsection (1), by deleting the definition of the words “items subject to legal privilege”; and
  - (b) in subsection (2) by deleting the word “Schedule” and substituting the words “First Schedule”.
  
3. The principal Law is amended in section 3 as follows - Amendment of section 3  
- implementation
  - (a) by repealing subsection (2) and substituting the following subsection -

“ (2) Nothing in this Law shall require the provision of information under a scheduled Agreement, or under Part IV, in relation to a taxation matter that arose prior to the date of commencement of this Law, except where the terms of a scheduled Agreement otherwise so provide.”; and

(b) by repealing subsection (4).

Amendment of section  
17 - notification

4. The principal Law is amended in section 17 as follows -

(a) in subsections (1), by deleting the words “a person” and substituting the words “an individual”;

(b) in subsections (1), (2) and (4), by deleting the word “person” wherever it appears and substituting the word “individual”; and

(b) by deleting subsection (5) and substituting the following subsection -

“ (5) The requirement in subsection (1) for the Authority to give notice shall not apply where a requesting Party makes a request in urgent cases or in cases where notification is likely to undermine the success of the investigation in the jurisdiction of the requesting party.”.

Amendment of section  
20 - confidentiality with  
regard to a request

5. The principal Law is amended in section 20 by inserting before subsection (1) the following subsection -

“ (1A) Subject to section 17, all information provided and received by the Authority and any scheduled competent authority in relation to a request made under a scheduled Agreement shall be kept confidential.”.

Amendment of section  
21 - restriction on use of  
information

6. The principal Law is amended in section 21(1) by deleting the words “stated in the request” and substituting the words “within the scope of a scheduled Agreement or Part IV”.

Passed by the Legislative Assembly the                      day of                      2012.

Speaker.

Clerk of the Legislative Assembly.