



NEWS RELEASE

MINISTRY OF FINANCE, PLANNING, ECONOMY, ENERGY & COOPERATIVES

Email: financegrenada@gmail.com ; finance@gov.gd

Website: www.gov.gd Phone: 1-473-435-0057 or 1-473-440-2731/4

Fax: 1- 473-440-4115

NO.9 /2010

DATE: Tuesday, January 26, 2010

GRENADA IS ON ITS WAY TO SIGNING 15 TIEAs

ST. GEORGE'S, GRENADA, TUESDAY, JANUARY 26, 2010: Consistent with the commitment given by the Minister of Finance, Hon Nazim Burke, in his 2010 budget presentation, Grenada is actively engaged in negotiating Tax Information Exchange Agreements (TIEAs) with several of its economically significant trading partners, with the goal of establishing 12 Agreements by March 2010. Grenada already has a Double Taxation Agreement with the United States of America and has now concluded TIEA negotiations with the following jurisdictions: France, Germany, Australia, United Kingdom, Northern Ireland, The Kingdom of the Netherlands, The Netherlands Antilles and Aruba. Grenada has also completed negotiations and initialled Agreements, (a preliminary step before signing) with the following jurisdictions: Sweden, Norway, Finland, Denmark, Iceland, The Faroes and Greenland. On concluding these Agreements, Grenada will join the 48 other financial centres which concluded 184 Agreements in 2009.

The negotiations of these TIEAs are taking place as part of Grenada's proactive efforts to maintain transparency in the financial services industry and to comply with international standards on the exchange of tax information. The establishment of TIEAs is a tangible confirmation of Grenada's commitment to the international principles of transparency and effective exchange of information. The TIEAs will allow exchange of information by request on tax matters in accordance with the procedures negotiated with the contracting parties. The conclusion of these agreements should enhance Grenada's reputation as a transparent and responsible financial centre.

The model Agreement, which is being used by Grenada, addresses the standards for exchange of information in great detail. It includes the obligation to provide all information that is foreseeably relevant to the administration or enforcement of the domestic laws of the contracting parties concerning taxes. It also sets out acceptable grounds for declining a request, the format of requests, the confidential treatment of exchanged information, the recognition of attorney-client privileges, etcetera.

Grenada is currently on the Organisation for Economic Cooperation and Development's (OECD) list of jurisdictions which have committed to the internationally agreed tax standards, but have not yet substantially implemented these standards. Jurisdictions with implementation challenges like Grenada were placed on a 'grey list' by the OECD with graduation to the 'white list' being dependent on the conclusion of 12 TIEAs by March 2010; an extension of the original deadline of September 2009. Member states of the OECD have indicated that procedures to restrict access to their financial markets will be imposed against jurisdictions not on the 'white list'; this is reminiscent of the impact of the OECD's 'black list' on a number of OECS countries, including Grenada, during the period 1998 to 2002. The other OECS countries are also currently pursuing similar efforts to be upgraded to the OECD "white" list, with Antigua being the only country so far to attain this status.

Grenada already has legislation which provides for cooperation and the exchange of information. However, work has commenced on legislation which deals specifically with the exchange of information on tax matters.