

## POLITICAL DECLARATION

Today, The Government of Jersey and The Government of the Federal Republic of Germany have signed Agreements on the Exchange of Information in Tax Matters and on Co-operation in Taxation Matters and the Avoidance of Double Taxation concerning certain Items of Income. The Agreement on the Exchange of Information in Tax Matters authorises each Party to request from the other information relating to a specific tax matter under examination or investigation. The Agreement confirms the commitment of both Parties to open and fair tax competition, and in particular to implement the high standards of transparency and exchange of information for tax purposes that have been reflected in the Model Agreement on Exchange of Information on Tax matters as released by the Organisation for Economic Cooperation and Development (OECD) in April 2002. The Agreement is also an important step forward in the global effort towards an international financial system that is free of distortions created through lack of transparency and lack of effective exchange of information in tax matters. The Agreement on Co-operation in Taxation Matters and the Avoidance of Double Taxation attends to certain items of income of individuals as well as to the adjustment of Profits of Associated Enterprises.

Following the entry into force of these Agreements, Jersey and Germany will continue the dialogue to examine what measures could be adopted to further enhance and broaden their political and economic relationship including the further clarification of elements of double taxation, discrimination and other undesired tax barriers and the further extension of the arrangements for information exchange.

The Federal Republic of Germany welcomes Jersey as a member of the community of nations committed to international co-operation and information exchange on tax matters, and wishes to assure The Government of Jersey that Jersey will be fully and equally treated as such by the German authorities. The Federal Republic of Germany also recognises The Government of Jersey's commitment to a "good neighbour" policy, reflected, inter alia, in the signing by The Government of Jersey of an

Agreement on the Taxation of Savings Income with The Federal Republic of Germany and each of the other EU Member States.

Jersey and The Federal Republic of Germany through the signing of these Agreements seek to strengthen and broaden their current economic and trading relationship. Both Parties recognise the other's commitment to comply with international standards relating to money laundering, terrorist financing and financial regulation, and to participate in international efforts to combat financial and other crimes including fiscal crime. The Federal Republic of Germany is pleased to note that in 2003 the IMF found that the financial regulatory and supervisory system of Jersey generally complies well with international AML/CFT standards upon which independent assessments of equivalence were able to be based. The Federal Republic of Germany is also pleased to note that Jersey has invited the IMF to undertake a further evaluation to assess compliance with the current international standards. Subject to the outcome of this IMF evaluation, the Federal Republic of Germany will use its best endeavours to ensure that where EU Directives or Regulations include provisions referring to the position of Third Countries, particularly in relation to assessments of equivalence in compliance with EU standards and access to EU markets, Jersey is treated as fairly and favourably as other Third Countries.

Berlin, 4 July 2008

For the Government  
of Jersey

For the Government  
of the Federal Republic of Germany