

**CHP 16/0024**

**IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CIVIL DIVISION  
CHANCERY PROCEDURE**

Between:

**ASSESSOR OF INCOME TAX**

Claimant

and

**HOLMCROFT PROPERTIES LIMITED**

First Defendant

and

**MONTPELIER (TRUST AND CORPORATE) SERVICES LIMITED**

Second Defendant

**Judgment summary issued by the High Court of Justice of the Isle of Man**

**This summary is provided to assist in understanding the judgment of the court. It does not form part of the judgment. The judgment itself is the only authoritative document. The full judgment is available at [www.judgments.im](http://www.judgments.im).**

On 23 September 2016 His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls, delivered a judgment which concerned the position in Manx law in respect of the mutual exchange between the Isle of Man and the United Kingdom of information relating to tax.

The First Deemster also considered the developments in Manx law from the 1980s to date in respect of the Island's international responsibilities and cooperation with overseas authorities.

The provisions of the Income Tax (United Kingdom) Order 2008 and sections 105C to 105O of the Income Tax Act 1970 as amended were also considered, along with two authorities from Jersey, an authority from Singapore and two English authorities.

The First Deemster at paragraphs 126 to 137 of the judgment set out the position in Manx law, in particular focusing on what steps the Assessor (or a Deputy with delegated authority) should take upon receipt of a request by a foreign tax authority to be satisfied that the request was an appropriate one. The First Deemster also gave some guidance as to the meaning and application of the phrase "foreseeably relevant".

At paragraph 138 of the judgment the First Deemster stated:

"The standard of "foreseeably relevant" is extremely broad and is intended to provide for exchange of information in tax matters to "the widest possible extent". Contracting states are not however at liberty to engage in "fishing expeditions" i.e. speculative requests that have no apparent nexus to an open inquiry or investigation. In this context "foreseeably

relevant” means that “there is a reasonable possibility that the requested information will be relevant; whether the information once provided actually proves to be relevant is immaterial”. That is an extremely wide meaning that needs to be understood by all those who are legitimately required to produce relevant documents and information.”

At paragraph 141 of the judgment the First Deemster added:

“On the evidence presented to the court it is apparent that the Deputy properly considered and properly acted upon the Letter of Request. It is perhaps unfortunate that a number of notices and letters had to be reissued over a period of time, but the Defendants made no complaints in that respect. Moreover, I was not of the view that there had been any significant irregularity. The Deputy’s stance was vindicated by the acceptance by the Defendants of the relief in terms of the consent order. The Deputy appears to have taken a reasonable, fair and proportionate approach in this case. This is probably why, on mature and considered reflection after the hearing, the Defendants eventually agreed to an order being made in the terms requested by Mr Wannenburg on behalf of the Claimant.”

23 September 2016