

CAYMAN ISLANDS



TAX INFORMATION AUTHORITY (AMENDMENT) BILL, 2020

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A BILL FOR A LAW TO AMEND THE TAX INFORMATION AUTHORITY LAW (2017 REVISION) TO PROVIDE FOR THE SHARING OF INFORMATION BY THE AUTHORITY; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Home Affairs
(FSHA)



**Memorandum of
OBJECTS AND REASONS**

This Bill seeks to amend the Tax Information Authority Law (2017 Revision) (“the Law”) to provide for the sharing of information by the Tax Information Authority.

Clause 1 provides the short title of the legislation.

Clause 2 amends section 5 of the the Law to provide the Tax Information Authority with the following additional functions —

- (a) monitoring compliance with the Law or regulations made under the Law;
- (b) enforcing the Law or regulations made under the Law and investigating a person where the Authority reasonably believes that the person is or has been in breach of this Law or regulations made under the Law;
- (c) examining, by way of scrutiny of returns, on-site inspections or audit reports, or in such other manner as the Authority may determine, the affairs or business of any person;
- (d) collecting, compiling and sharing, in such manner as the Authority shall determine, statistical information; and
- (e) entering into memoranda of understanding or other arrangements with any Government department or agency, competent authority, regulatory body or supervisory body as the Authority considers appropriate for the discharge or performance of its responsibilities and functions.

Clause 3 provides for the insertion of a new section 24A in the Law which creates a summary offence for knowingly or wilfully supplying false or misleading information. The punishment for the offence is a fine of ten thousand dollars or imprisonment for a term of five years, or both.

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ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the Tax Information Authority (Amendment) Law, 2020.

Amendment of section 5 of the Tax Information Authority Law (2017 Revision) - functions of the Authority

2. The *Tax Information Authority Law (2017 Revision)* is amended in section 5(2) as follows —
 - (a) by deleting the word “and” at the end of paragraph (e);
 - (b) by deleting the full-stop at the end of paragraph (f) and substituting a semi-colon; and
 - (c) by inserting after paragraph (f) the following paragraphs —
 - “(g) monitoring compliance with this Law or regulations made under this Law;
 - (h) enforcing this Law or regulations made under this Law and investigating a person where the Authority reasonably believes



that the person is or has been in breach of this Law or regulations made under this Law;

- (i) examining, by way of scrutiny of returns, on-site inspections or audit reports, or in such other manner as the Authority may determine, the affairs or business of any person;
- (j) collecting, compiling and sharing, in such manner as the Authority shall determine, statistical information; and
- (k) entering into memoranda of understanding or other arrangements with any Government department or agency, competent authority, regulatory body or supervisory body as the Authority considers appropriate for the discharge or performance of its responsibilities and functions.”.

Insertion of section 24A in the Tax Information Authority Law (2017 Revision) - misleading information

3. The *Tax Information Authority Law (2017 Revision)* is amended by inserting after section 24 the following section —

“Misleading information

- 24A.** (1) A person shall not knowingly or wilfully supply false or misleading information to the Authority under this Law.
- (2) A person who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of ten thousand dollars or to imprisonment for a term of five years, or to both.”.

Passed by the Legislative Assembly the day of , 2020.

Speaker

Clerk of the Legislative Assembly

