

SCHEDULE

PART II

Exchange of Notes

Note from Her Majesty's Government

Sir,

I refer to the text of the proposed model “Agreement on the taxation of savings income between the Government of the British Virgin Islands and [EU Member State that is to apply automatic exchange of information]” that was approved at the High Level Working Party of the Council of Ministers of the European Union of 22 June.

In view of the above mentioned agreed texts, and respecting the constitutional relationship between the United Kingdom of Great Britain and Northern Ireland and the British Virgin Islands, I have the honour

- to confirm to you the arrangements contained in the agreement on the taxation of savings income at Appendix 1 to this letter;
- to confirm that the said arrangements may come into effect on 1st January 2005, or the date of application of Council Directive [2003/48/EC](#) of 3 June 2003 on taxation of savings income in the form of interest payments, whichever is later subject to the notification to each other that internal legislative formalities for the coming into effect of these arrangements are completed;
- to confirm our mutual commitment to comply at the earliest date with our said internal legislative formalities and to notify each other without delay through the formal channels when such formalities are completed;
- to confirm that the said arrangements shall be made on the understanding that future treaties (bi-lateral and multi-lateral) shall not encompass or be extended to the British Virgin Islands save after prior consultation with the Government of the British Virgin Islands; furthermore, any amendments to Council Directive [2003/48/EC](#) pursuant to Article 18 thereof shall not apply or be extended to the British Virgin Islands save after prior consultation with and after seeking the consent of the Government of the British Virgin Islands;

I have the honour to confirm that, if the above is acceptable to your Government, this letter together with its Appendix 1 and your confirmation shall together form a binding agreement and constitute our mutual acceptance and making of the arrangements between the United Kingdom of Great Britain and Northern Ireland and the British Virgin Islands.

Please accept, Sir, the assurance of our highest consideration,