MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COMPETENT AUTHORITIES
OF
THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF JERSEY
CONCERNING
THE INTERPRETATION OR APPLICATION
OF
THE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA AND THE GOVERNMENT OF JERSEY FOR THE EXCHANGE OF INFORMATION RELATING TO TAXES

The State Administration of Taxation of the People’s Republic of China and the Treasury and Resources Minister of Jersey (hereinafter referred to as “the competent authorities”), desiring to facilitate proper application of the Agreement between the Government of the People’s Republic of China and the Government of Jersey for the Exchange of Information Relating to Taxes (hereinafter referred to as “the Agreement”), have reached the following understandings:

1. With respect to paragraph 8 of Article 5 (Exchange of Information Upon Request) of the Agreement, it is understood that the competent authority of the requested Party shall forward the requested information as promptly as possible to the requesting Party. To ensure a prompt response, the competent authority of the requested Party shall:

   (a) confirm receipt of a request in writing to the competent authority of the requesting Party and shall notify the competent authority of the requesting Party of deficiencies in the request, if any, within 60 days of receipt of the request.

   (b) if the competent authority of the requested Party has been unable to obtain and provide the information within 90 days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the requesting Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

2. With respect to Article 10 (Costs) it is understood that:

   (a) The term “extraordinary costs” includes, but is not limited to:

      (i) reasonable costs of reproducing and transporting documents or records to the competent authority of the requesting Party;
      (ii) reasonable fees charged by a financial institution or other third party record keeper for copying records and research related to a specific request for information;
      (iii) reasonable costs for stenographic reports and interviews, depositions or testimony;
      (iv) reasonable fees and expenses, determined in accordance with amounts allowed under applicable law, of a person who voluntarily appears in
China or in Jersey for an interview, deposition or testimony relating to a
particular information request;
(v) reasonable legal fees for non-government counsel appointed or retained,
with the approval of the competent authority of the requesting Party, for
litigation in the courts of the requested Party related to a specific request
for information;
(b) The term “ordinary costs” includes, but is not limited to, ordinary
administrative, postal and overhead expenses incurred by the requested Party
in reviewing and responding to information requests submitted by the
requesting Party.
(c) If the extraordinary costs pertaining to a specific request are expected to
exceed £500 (five hundred sterling pounds), the competent authority of the
requested Party will contact the competent authority of the requesting Party to
determine whether the requesting Party wants to continue to pursue the request.
(d) The competent authorities will consult not later than 12 months after the date
the Agreement enters into force, and upon request of either competent
authority thereafter, with respect to costs incurred or potentially to be incurred
under the Agreement and with a view to minimizing such costs.

3. Formal communications, including requests for information, made in
connection with or pursuant to the provisions of the Agreement entered into will be in
writing directly to the competent authority of the other party at the addresses given
below, or such other address as may be notified by one party to the other from time to
time. Any subsequent communications regarding requests for information will be either
in writing or verbally, whichever is most practical, between the earlier mentioned
competent authorities or their authorized representatives.

In the case of the People’s Republic of China, the address is No. 5,
Yangfangdian West Road, Haidian District, Beijing, 10038, the People’s
Republic of China

In the case of Jersey, the address is PO Box 56, Cyril Le Marquand House,
The Parade, St Helier, Jersey JE4 8PF

4. This Memorandum of Understanding will come into effect on the entry into
force of the Agreement.

5. The competent authorities may jointly decide, in writing, to amend this
Memorandum of Understanding at any time. Amendments to this Memorandum of
Understanding will come into effect on the date of the final letter confirming the
amendment.

6. This Memorandum of Understanding will remain in effect until terminated at
any time in writing, by either competent authority.
DONE at St Helier in duplicate this 29th day of October 2010, in the Chinese and English languages, both texts being equally authentic.

FOR THE STATE ADMINISTRATION OF TAXATION OF THE PEOPLE’S REPUBLIC OF CHINA

XIAO Jie

FOR THE TREASURY AND RESOURCES MINISTER OF JERSEY

Terry Le Sueur