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## **THE OFFSHORE & INTERNATIONAL TAXATION REVIEW**

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## The Editorial

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# EDITORIAL

This issue begins with a comprehensive discussion by the Consulting Editor of when two settlements are one arrangement for the purposes of the United Kingdom capital gains tax offshore beneficiary provisions. This issue has recently become of great interest in the context of arrangements which involve a transfer of assets between two settlements to exploit a perceived gap in Schedule 4C of the Taxation of Chargeable Gains Act 1992.

Mark Shadwick discusses the new agreement between the Cayman Islands and the United States on the exchange of information on taxes signed on 27th November 2001. Interestingly, Mr Shadwick highlights that the agreement is one sided because the taxes to be covered are federal income taxes of which there are none in the Cayman Islands at present. Further, Mr Shadwick notes that as entry into force of the substance of the agreement is to be from 1st January 2004 in respect of US criminal tax evasion and 1st January 2006 in respect of US civil tax claims a number of issues should be resolved in advance of these dates, including a mechanism for the taxpayer to be informed of the request for information and, in appropriate circumstances, be given an opportunity to challenge such request.

Jonathan Miller provides considerable learning in his outline of the tax information relevant to Spain for the year 2002, including a summary of the requirements for tax residence in Spain and an outline of the currently applicable taxes on residents and non residents.

Ralph Ray provides an overview on the current uses of offshore trusts, both from an inheritance tax and capital gains tax perspective.

Finally, Hein Coops discusses United Kingdom double taxation relief in the context of the mixer structure. Mr Coops discusses the new onshore pooling regime introduced for foreign dividends paid on or after 31st March 2001 and the interaction with the controlled foreign companies legislation.

The Editors welcome contributions. The Editors particularly welcome debate on points raised in articles appearing in the *Review* (or indeed other Reviews and Journals). All articles (whether long or short), ideas for articles, and other correspondence on editorial matters should be addressed to: Amanda Hardy, Managing Editor, Offshore and International Taxation Review, 24 Old Buildings, Lincoln's Inn, London WC2A 3UP.

Robert Venables QC

Amanda Hardy

March 2002