



## Brexit: CDOTs, the forgotten children?

There are growing concerns that the Crown Dependencies and Overseas Territories will become the forgotten children in a nasty EU-UK Brexit divorce. The EU-UK Brexit negotiations start soon after the General Election and nobody that ADI has spoken to is optimistic about the outcome. If it all goes wrong, as it could, what might this mean for the CDOTs?

These offshore centres have a number of worries. Speaking at a recent Jersey Finance conference Richard Hay, a partner with the law firm Strikeman Elliot and an advisor to the IFC Forum said the following: 'The CDOTs are the children caught in a nasty divorce'.

Guernsey and Jersey have both hosted events in London this spring which has given ADI an opportunity to catch up with views on Brexit from the Channel Islands. There is some concern, this spring, about what Brexit might mean for them which was not evident last autumn or winter. Whilst no one wanted to speak on the record about it several people made much the same point: that they have next to no ability to influence events that may very well have a huge bearing on their future. *Continued on page 13 >>*

## 'A turning point in tax treaty history'

A key part of BEPS, the multilateral instrument, commonly known as the MLI, comes into effect in June, following a signing ceremony in Paris. 'The adoption of this multilateral instrument marks a turning point in tax treaty history,' said OECD Secretary-General Angel Gurría.

The MLI transposes BEPS on to the world's bi and multilateral tax agreements and imposes binding arbitration in double tax disputes. Over 2,000 tax treaties are being transposed. Following the signing ceremony BEPS moves on from theory to practice.

The MLI has been negotiated with over 100 countries, say the OECD. It was finalised last November and now moves on to implementation stage.

"It will save countries from multiple bilateral negotiations and renegotiations to implement the tax treaty changes in the BEPS Project. More importantly, having more than 100 jurisdictions on board will help ensure consistency in the implementation of the BEPS Project, which will result in more certainty and predictability for businesses, and a better functioning international tax system for the benefit of our citizens," adds Angel Gurría. *Continued on page 15 >>*

## In this issue

### Features

- 13 **Brexit: CDOTs, the forgotten children?**  
*Story continued from front page*
- 15 **'A turning point in tax treaty history'**  
*Story continued from front page*
- 10 **Irish Brexit capacity concerns**

### News

- 2 MiFID II application forms go out
- 3 ManCo M&A goes into overdrive
- 4 Crestbridge builds substance solution for BEPS
- 5 Shadow banking report shows role of fund domiciles
- 6 Beneficial ownership surprise in Germany
- 6 UK election saves CDOTs
- 7 Guernsey reaches £110 bn in PE fund assets
- 7 Jersey's new private fund regime up and running
- 8 Responsible funds boom in Luxembourg
- 8 Cayman announces AML strategy to 2021
- 9 Indos gets full depo license

### Listings

- 16 **ADI event**  
*The impact of BEPS and Brexit*
- 17 **AIFMD service providers**  
*AIFMD related Company listings*
- 18 **Domicile service provider listing**  
*Company listings by Domicile*

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