

TAX IMPLEMENTATION AGREEMENT BETWEEN  
THE UNITED STATES OF AMERICA  
AND  
THE VIRGIN ISLANDS

The Government of the United States of America and the Government of the Virgin Islands desiring to conclude an Agreement (hereinafter referred to as the "Agreement") for the exchange of information and mutual assistance with respect to taxes in order to prevent the evasion or avoidance of United States or Virgin Islands taxes have agreed as follows:

Article 1

SCOPE OF AGREEMENT

This Agreement is intended to provide for mutual assistance in tax matters, including exchanges of information, for purposes of administering the tax laws of the respective Governments and especially to prevent avoidance or evasion of the Governments' respective fiscal laws. This Agreement is the implementing agreement described in section 1277 of the Tax Reform Act of 1986, Pub. L. No. 99-514. The provisions of this Agreement are subject to provisions of the statutes, regulations, and published procedures of the Contracting Governments.

Upon entry into force, this Agreement replaces any and all prior tax coordination agreements and implementing agreements between the respective Governments.

Article 2

TAXES COVERED

1. This Agreement shall apply to the following taxes imposed by or on behalf of a Contracting Government:

- a) in the case of the United States of America, all taxes imposed by the Code, and
- b) in the case of the Virgin Islands, all taxes imposed by the Code as it applies in the Virgin

Islands and all local income taxes imposed by the Virgin Islands as authorized by the Tax Reform Act of 1986.

2. This Agreement shall apply also to any identical or substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes. The competent authority of each Government shall notify the other of significant changes in laws which may affect the obligations of that Government pursuant to this Agreement.

3. This Agreement shall not apply to the extent that an action or proceeding concerning taxes covered by this Agreement is barred by the applicant Government's statute of limitations.

Article 3

DEFINITIONS

1. In this Agreement, unless otherwise defined:

- a) The term "Code" shall mean the Internal Revenue Code of 1986, as amended, and any predecessor or successor statutes.
- b) The term "competent authority" means:
  - (i) in the case of the United States of America, the Secretary of the Treasury or his delegate, and
  - (ii) in the case of the Virgin Islands, the

Director, Virgin Islands Bureau of Internal Revenue or his delegate.

- c) The term "Contracting Government" means the United States or the Virgin Islands as the context requires.
- d) The term "non-Virgin Islands source income" means income for which the source (under source rules promulgated by the U.S. Internal Revenue Service) is not the Virgin Islands.
- e) The term "person" includes an individual and a partnership, corporation, company, trust, estate, association or other legal entity.
- f) The term "tax" means any tax to which the Agreement applies.
- g) The term "taxpayer" means:
  - (i) in the case of the United States, any person subject to the provisions of the Code, and
  - (ii) in the case of the Virgin Islands, any person subject to the provisions of the Code as it applies in the Virgin Islands or any local income tax laws imposed by the Virgin Islands.
- h) For purposes of determining the geographical area within which jurisdiction to compel production of information under this Agreement may be exercised, the term "United States" means the United States

of America, including Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other United States possession or territory and the territorial waters thereof, but not including the Virgin Islands. Such jurisdiction may be exercised if the information or the custodian of the information is located within the United States.

- i) For purposes of determining the geographical area within which jurisdiction to compel production of information under this Agreement may be exercised, the term "Virgin Islands" means the territorial domain, lands and waters acquired by the United States through cession of the Danish West Indian Islands by the Convention between the United States of America and His Majesty the King of Denmark entered into August 4, 1916, and ratified by the Senate on September 7, 1916 (39 Stat. 1706). Such jurisdiction may be exercised if the information or the custodian of the information is located within the Virgin Islands.

2. Any term not defined in this Agreement, unless the context otherwise requires or the competent authorities agree to a common meaning pursuant to the provisions of Article 5, shall have the meaning which it has under the laws of the Contracting

Governments relating to the taxes which are the subject of this Agreement.

Article 4

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting Governments shall exchange information to administer and enforce the domestic laws of the Contracting Governments concerning taxes covered by this Agreement. Information shall be exchanged to fulfill the purposes of this Agreement without regard to whether the information relates to, or is held by, a taxpayer of a Contracting Government. Procedures for exchange of information are set forth in Appendix A, Limitations on Disclosure of Tax Information, which is incorporated by reference and made a part of this Agreement.

2. The competent authorities of the Contracting Governments shall automatically transmit information to each other for the purposes referred to in paragraph 1. The competent authorities shall determine the items of information to be exchanged pursuant to this paragraph and the procedures to be used to exchange such items of information.

a) It is intended that the United States shall routinely supply to the Virgin Islands the following information, to the extent available and

subject to the tolerances and criteria to be agreed upon by the competent authorities:

- (i) copies of reports of individual, partnership, corporate, and employment audit changes that disclose information relevant to the Virgin Islands;
- (ii) copies of Forms 5335 (Income Subject to Withholding under Chapter 3, Internal Revenue Code as reported on Form 1042S, and any successor forms) that disclose information relevant to the Virgin Islands;
- (iii) copies of Schedule K-1 of Form 1065 (U.S. Partnership Return of Income) and audit results, when the partnership return is examined and it appears the examination will affect returns of Virgin Islands taxpayers;
- (iv) copies of responses to Forms 4901, 4902, and 4903, Requests for Information About Tax Forms, where such reply indicates that the taxpayer has filed a return with the Virgin Islands;
- (v) copies of Forms 1099 and all other information returns where the recipient of income is a Virgin Islands resident or lists a Virgin Islands address or the income is from Virgin Islands sources;

- (vi) copies of the W-2 combined wage reporting tape summarizing Forms W-2VI (U.S. Virgin Islands Wage and Tax Statement) and Forms W-3SS (Transmittal of Wage and Tax Statements) filed with the Social Security Administration by employers in the Virgin Islands, which tape is provided annually to the Internal Revenue Service by the Social Security Administration; and
  - (vii) copies of Forms 8279 (Election to be Treated as a FSC or as a Small FSC) that indicate creation or organization of any Foreign Sales Corporation (as defined in Section 922 of the Code) in the Virgin Islands.
- b) It is intended that the Virgin Islands shall routinely supply to the United States the following information, to the extent available and subject to the tolerances and criteria to be agreed upon by the competent authorities:
- (i) copies of reports of individual, partnership, corporate, and employment audit changes that disclose information relevant to the United States;
  - (ii) information about the ownership interests of all corporations subject to Virgin Islands tax with non-Virgin Islands source income

that receive a rebate, subsidy or reduction of Virgin Islands taxes;

- (iii) information about any taxpayer subject to Virgin Islands tax with non-Virgin Islands source income who files an income tax return with the Virgin Islands claiming for the first time to be a Virgin Islands resident;
- (iv) all corporate information about ownership interests in any Foreign Sales Corporation (as defined in section 922 of the Code) established in the Virgin Islands;
- (v) such information about corporations electing application of section 936 of the Code as may be agreed upon by the competent authorities; and
- (vi) information about any rebates, subsidies or reductions of tax provided by the Virgin Islands for income derived by a Virgin Islands taxpayer from other United States possessions and territories.

- c) The competent authorities of the Contracting Governments may agree to expand or limit the information to be routinely exchanged.

3. The competent authority of a Contracting Government shall spontaneously transmit to the competent authority of the other Government information which has come to the attention of

the first-mentioned Government and which is likely to be relevant to, and bear significantly on, administration and enforcement of the domestic laws concerning taxes of the second-mentioned Government. The competent authorities shall determine the information to be exchanged pursuant to this paragraph and take such measures and implement such procedures as are necessary to ensure that the information is forwarded to the competent authority of the other Government.

4. The competent authority of the requested Government shall endeavor to provide information upon request by the competent authority of the applicant Government for the administration and enforcement of the domestic laws of the Contracting Governments concerning taxes. If the information available in the tax files of the requested Government is not sufficient to enable compliance with the request, that Government shall take the necessary measures to provide the applicant Government with the information requested. Notwithstanding the foregoing, the United States may exercise its rights under section 7602 et seq. of the Code to obtain information in the Virgin Islands without resorting to the procedures set forth in this Agreement. However, in the event the United States so exercises its rights within the Virgin Islands it shall notify the competent authority of the Virgin Islands prior to taking action or as soon as practicable, unless the competent authorities agree to limit notification with respect to certain classes of cases.

5. The provisions of the preceding paragraphs shall not be construed so as to impose on a Contracting Government the obligation:

- a) to supply particular items of information which are not obtainable under the laws of that Government or of the other Contracting Government;
- b) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process;
- c) to supply information, the disclosure of which would be contrary to public policy; or
- d) to disclose information if such disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation.

6. Any information received by a Contracting Government shall be subject to Appendix A, Limitations on Disclosure of Tax Information.

#### Article 5

##### MUTUAL AGREEMENT PROCEDURE AND COSTS

1. The competent authorities of the Contracting Governments shall implement a program to carry out the purposes of this Agreement. In particular, the competent authorities of the Contracting Governments may amend Appendix A as they deem necessary within the limitations of this Agreement and the Code.

2. The competent authorities of the Contracting Governments shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement and may communicate directly for this purpose. In particular, the competent authorities may agree to the common meaning of a term and may determine when costs are extraordinary for purposes of this Article.

3. Unless the competent authorities of the Contracting Governments otherwise agree, ordinary costs incurred in providing assistance shall be borne by the requested Government and extraordinary costs incurred in providing assistance shall be borne by the applicant Government. The competent authorities of the Contracting Governments may agree not to charge each other for the costs of reproduction of information routinely exchanged.

#### Article 6

##### MUTUAL AGREEMENT PROCEDURE ON POTENTIAL DOUBLE TAXATION

1. When by reason of inconsistent positions taken by the Contracting Governments, a taxpayer is or would be subject to inconsistent tax treatment by the two jurisdictions, the competent authorities of the Contracting Governments shall endeavor to agree upon the facts and circumstances necessary to achieve consistent application of the tax laws of the respective Governments. In particular, but not by way of limitation, the

competent authorities of the Contracting Governments may consult together to endeavor to agree:

- a) To the same allocation of income under section 482 of the Code;
- b) To the same determination of residency of a particular taxpayer; or
- c) To the same determination of the source of particular items of income.

Article 7

OTHER APPLICATIONS OF AGREEMENT

1. The Contracting Governments agree that when they have knowledge that a taxpayer has changed residence from one taxing jurisdiction to the other and seeks to change methods of accounting (or to make an initial election), no such change or election shall be permitted until the competent authorities have consulted and determined that such change or election will not lead to the evasion or avoidance of taxes imposed by either of the Contracting Governments. This paragraph includes initial adoption of an accounting method or an election inconsistent with a method or election previously utilized in the other jurisdiction by the taxpayer.

2. The Contracting Governments agree that a Virgin Islands corporation owned or controlled directly or indirectly by a

person whose beneficial ownership is undisclosed (such as through bearer shares) shall be treated as owned or controlled to that extent by a U.S. person for purposes of the respective Governments' tax laws.

3. The Contracting Governments agree that for purposes of determining whether a person qualifies as a bona fide resident of the Virgin Islands under section 932 of the Code the definition to be used shall be the definition contained in the then-applicable regulations promulgated by the United States.

4. The Contracting Governments agree that the United States may use its regulatory authority over sourcing rules to determine that certain income (such as income from the sale of property) earned by certain former residents of the United States who become residents of the Virgin Islands is U.S.-source income for purposes of section 934(b) of the Code and therefore tax on such income may not be reduced or rebated by the Virgin Islands.

5. Any taxpayer information disclosed to the United States shall become "taxpayer return information" as defined by section 6103(b)(3) of the Code and may be redisclosed only in accordance with provisions of the Code or an applicable treaty.

6. Subject to the restrictions and other provisions of this Agreement and the availability of enforcement resources, the competent authorities will develop a cooperative return selection and examination program with the objective of avoiding unnecessary duplication of examination coverage.

7. Subject to the restrictions and other provisions of this Agreement, the Contracting Governments will develop a simultaneous examination program for both civil and criminal investigations.

8. To the extent permitted by law and subject to the availability of enforcement resources, the United States will assist in collecting taxes owed to the Virgin Islands by Virgin Islands taxpayers present in the United States. The competent authorities will discuss appropriate procedures for facilitating such collection. Any taxes collected shall be remitted to the Virgin Islands, less the reasonable expenses incurred in collection.

9. In addition to the exchange of tax and other information, the competent authorities will, to the extent feasible, extend to each other assistance in other tax administration matters. This may include such activities as taxpayer assistance, stocking tax forms for the public, training of personnel, preparing special statistical studies and compilations of data, development and improvement of tax administration systems and procedures, as well as such other activities as may improve tax administration.

Article 8

ENTRY INTO FORCE

This Agreement shall enter into force upon signature by the duly authorized representatives of the Contracting Governments.

Article 9

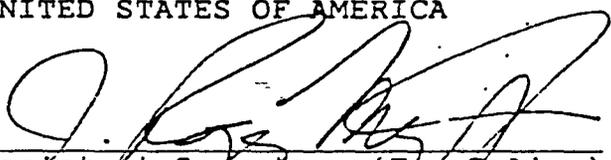
AMENDMENT AND TERMINATION

1. This Agreement may be modified or amended by mutual consent of the Contracting Governments.
2. This agreement shall remain in force until terminated by one of the Contracting Governments. Either Contracting Government may terminate the Agreement at any time after the Agreement enters into force provided that at least 6 months prior notice of termination has been given.
3. Any unauthorized use or disclosure of Federal returns or Federal return information as defined by section 6103(b)(1) and (2) of the Code furnished pursuant to this Agreement or inadequate procedures for safeguarding the confidentiality of such returns and return information, constitutes grounds for immediate termination of this Agreement and the exchange of

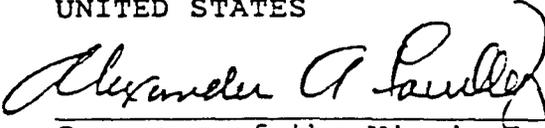
information thereunder, subject to the rights of administrative appeal as provided by regulations prescribed by section 6103(p)(7) of the Code.

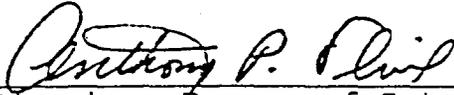
DONE at Washington, D.C., in duplicate; this 24 day of February, 1987.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA

  
Assistant Secretary (Tax Policy)  
Department of Treasury

FOR THE GOVERNMENT OF THE  
VIRGIN ISLANDS OF THE  
UNITED STATES

  
Governor of the Virgin Islands

  
Director, Bureau of Internal  
Revenue of the Virgin Islands

APPENDIX A

LIMITATIONS ON DISCLOSURE OF TAX INFORMATION

Section 1. Definitions

For purposes of this appendix, the following definitions apply:

1.1 Bureau. The term "Bureau" means the V.I. Bureau of Internal Revenue and any successor agency.

1.2 IRS. The term "IRS" means the Internal Revenue Service, U.S. Department of Treasury.

1.3 Possession Audit Agency. The term "Possession Audit Agency" means the agency, body or commission which is charged under the laws of the Virgin Islands with the responsibility of auditing Possession revenues and programs.

1.4 Possession. The term "Possession" means the Virgin Islands of the United States.

1.5 Bureau Representative. The term "Bureau Representative" means a Bureau officer or employee designated in writing by the head of the Bureau, to the Assistant Commissioner (International) at Washington, D.C. and the Service Center Director at Philadelphia, PA, as an individual who is to inspect or receive Federal returns or Federal return information on behalf of the Bureau as provided by section 6103(d) of the Code, but only so long as the duties and employment of such officer or employee require access to Federal returns and Federal return information for purposes of Possession tax administration.

1.6 IRS Representative. The term "IRS Representative" means an officer or employee of the IRS who has been designated in writing to the head of the Bureau by the Assistant Commissioner (International) at Washington, D.C., or the Service Center Director at Philadelphia, PA, as an individual who is to inspect or receive Possession returns or Possession return information on behalf of the IRS, but only so long as the duties and employment of such officer or employee require access to Possession returns and return information for the purpose of Federal tax administration.

1.7 Federal Return. The term "Federal Return" is defined in the same manner as provided in section 6103(b)(1) of the Code.

1.8 Federal Return Information. The term "Federal Return Information" is defined in the same manner as provided in section 6103(b)(2) of the Code. However, "Federal Return Information" does not include information in the hands of the Possession which it obtained wholly from sources independent from the IRS.

1.9 Possession Return. The term "Possession Return" is defined in the same manner as provided in section 6103(b)(1) of the Code as it applies in the Virgin Islands.

1.10 Possession Return Information. The term "Possession Return Information" means a taxpayer's identity, the nature, source, or amount of his/her income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or

tax payments, whether the taxpayer's Possession return was, is being, or will be examined or subject to other investigation or processing, or any other data received by, recorded by, prepared by, furnished to, or collected by the Bureau with respect to a Possession return or with respect to détermination of the existence, or possible existence, of liability (or the amount thereof) of any person under the internal revenue laws, or related statutes, of the Possession, for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense.

1.11 Inspection. The term "Inspection" means any examination of a return or return information.

1.12 Disclosure. The term "Disclosure" means the making known to any person in any manner whatever a return or return information.

1.13 Possession Tax Administration. The term "Possession Tax Administration"

(a) means--

- (i) the administration, management, conduct, direction, and supervision of the execution and application of the revenue laws, or related statutes of the Possession, and
- (ii) the development and formulation of Possession tax policy relating to existing or proposed internal revenue laws, or related statutes, of the Possession; and

(b) includes assessment, collection, enforcement, litigation, and statistical-gathering functions under such laws or statutes.

1.14 Code. The term "Code" means the Internal Revenue Code of 1986, as amended, and any predecessor or successor statutes.

SECTION 2. Disclosure of Federal Returns and Federal Return Information

2.1 Pursuant to the laws of the Possession, the Bureau is charged with the responsibility for the administration of Possession taxes imposed on income, inheritance, gifts, gross receipts from the conduct of a trade or business, real property and excise taxes on imports used in the conduct of a trade or business. Federal returns, and Federal return information (whether originals, paper copy, photocopy, microfilm, magnetic media, or any other form) received from the IRS will be used for the purpose of, and only to the extent necessary in, Possession tax administration.

2.2 This Agreement and Appendix constitute the requisite authorization pursuant to section 6103(d)(1) of the Code for the IRS to disclose to, and permit inspection by, a Bureau Representative of Federal returns and Federal return information relating to taxes imposed by chapters one, two, six, eleven, twelve, twenty-one, twenty-three, twenty-four, thirty-one, thirty-two, forty-four, forty-five, fifty-one, fifty-two, and subchapter D of chapter thirty-six of the Code.

2.3 Upon the occurrence of any change in employment, duties, or other relevant matters affecting a Bureau Representative's right to access to Federal returns and Federal return information or status as a Bureau Representative, the head of the Bureau shall promptly advise in writing the Assistant Commissioner (International) at Washington, D.C. and the Service Center Director at Philadelphia, PA, that such individual is no longer a Bureau Representative.

2.4 A Bureau Representative to whom a Federal return or Federal return information has been disclosed, may thereafter disclose such return or return information:

- (a) to another employee of the Bureau for the purpose of and only to the extent necessary in the administration of the Possession tax laws for which the Bureau is responsible;
- (b) to a person described in section 6103(n) of the Code or to any officer or employee of such person, solely for the purpose of Possession tax administration and in a manner consistent with applicable regulations, published rules or procedures, or written communications;
- (c) to a legal representative of the Bureau personally and directly engaged in, and solely for use in, preparation for a civil or criminal proceeding (or investigation which may result in a proceeding) before a Possession administration body, grand

jury, or court in a matter involving Possession tax administration, if the returns and return information satisfy one or more of the criteria established in section 6103(h)(4)(A), (B) or (C); and

- (d) to an officer or employee of the Possession audit agency for the purpose of and only to the extent necessary in making an audit of the Bureau.

2.5 A Federal return or Federal return information may be disclosed in a judicial or administrative proceeding pertaining to Possession tax administration, but only if the criteria established in section 6103(h)(4)(A), (B) or (C) of the Code are met.

2.6 Notwithstanding any other provision of this section, the IRS will not disclose a Federal return or Federal return information under this section if such disclosure would identify a confidential informant or seriously impair a Federal civil or criminal tax investigation. The Bureau agrees that neither it nor its legal representatives will make any further use or disclosure of a Federal return or Federal return information disclosed to a Bureau Representative by the IRS if the IRS notifies the head of the Bureau in writing that such further use or disclosure would identify a confidential informant or seriously impair a Federal civil or criminal tax investigation. The Bureau further agrees that prior to the disclosure of any Federal return or Federal return information in a Possession

judicial proceeding or to any party other than the taxpayer or his/her designee in a Possession administrative proceeding if the return or return information satisfies one or more of the criteria established in section 6103(h)(4)(A), (B) or (C) of the Code, the head or legal representative of the Bureau will notify in writing the Service Center Director or Assistant Commissioner (International), from whom the return or return information was received, of the intention to make such disclosure. No officer, employee or legal representative shall disclose a Federal return or Federal return information in a Possession judicial or administrative proceeding if the Service Center Director or Assistant Commissioner (International) or their delegate, within 30 days following receipt of such written notice, informs the head or legal representative of the Bureau that such disclosure would identify a confidential informant or seriously impair a Federal civil or criminal tax investigation.

2.7 Additionally, the Bureau agrees that it will notify the Assistant Commissioner (International) when, during an audit of the Bureau by the Possession Audit Agency, Federal returns and Federal return information are disclosed to the Possession Audit Agency and such information is made part of the Possession Audit Agency's workpapers.

SECTION 3. Disclosure of Possession Returns and Possession  
Return Information

3.1 This Agreement and Appendix constitute the requisite authorization for the Bureau to disclose to, and permit inspection by, IRS Representatives of Possession returns and Possession return information for the purpose of, and only to the extent necessary in the administration of the internal revenue laws, or related statutes, of the United States. Any Possession returns and Possession return information so disclosed to, or inspected by, an IRS Representative become, in the hands of the IRS, "taxpayer return information" as defined by section (b)(3) of the Code and may be redisclosed by the IRS only in accordance with provisions of the Code or an applicable treaty.

SECTION 4. Safeguards and Other Requirements

4.1 As an express condition for the inspection and disclosure of Federal returns and Federal return information, the Bureau agrees to comply with the safeguards and requirements prescribed by section 6103(p)(4) of the Code and any implementation of such safeguards and requirements as may be provided by regulations and published procedures including:

- (a) furnishing an annual report to the IRS describing the procedures established and utilized by the Bureau for ensuring the confidentiality of such returns and return information;

- (b) permitting the IRS to review the extent to which the Bureau is complying with the requirements of this paragraph; and
- (c) informing in writing all Bureau Representatives and other persons to or by whom disclosure or inspection of Federal returns or Federal return information is authorized of the criminal penalties and civil liability provided by sections 7213 and 7431 of the Code for a disclosure of such returns and return information which is unauthorized by the Code.

4.2 As an express condition for the inspection and disclosure of Possession returns and Possession return information, the IRS agrees to comply with the safeguards and requirements prescribed by section 6103(p)(4) of the Code and any implementation of such safeguards and requirements as may be provided by regulations and published procedures.

4.3 Processing of Federal returns and Federal return information received by the Bureau from the IRS in the form of microfilms, photo-impressions, magnetic media or other format (including reformatting or reproduction, or conversion to magnetic media, punch cards, or hard copy printout) and transmission and storage of such Federal returns or Federal return information by or on behalf of the Bureau may be performed by Bureau owned and/or operated computer facilities, facilities shared by the Bureau with other Possession agencies, or by any other person described in section 6103(n) of the Code. In those

cases where such facilities used by the Bureau are shared with other Possession agencies or operated by any other person described in section 6103(n) of the Code, the Bureau will insure the confidentiality of the Federal returns and Federal return information provided to such shared facility or person. As part of this responsibility, the terms of any contract or agreement between the Bureau and a shared computer facility or other person to whom Federal returns or Federal return information is or may be disclosed for a purpose described in this subsection, will provide, or will be amended to provide, that such person, and officers and employees of the person, will comply with the applicable safeguard conditions contained in regulations, published rules and procedures, or written communications.

4.4 Because some taxpayers may be unaware that Bureau tax officials are authorized under Federal law to obtain Federal returns and Federal return information for Possession tax administration purposes, the Bureau will publicize, in a manner satisfactory to the IRS, that such returns or return information were obtained pursuant to specific authority granted by the Code. Similar publicity will be provided by the IRS for Possession tax information furnished to the IRS pursuant to Possession law.

SECTION 5. Limitations

5.1 Pursuant to the provisions of section 6103(p)(2) of the Code, and of Possession law, if any, charges for furnishing returns and return information shall be governed by Article 5, paragraph 3 of the Agreement.

5.2 Under no circumstances will the Bureau permit any Federal return or Federal return information to be inspected by, or disclosed to an individual who is the chief executive officer of the Possession or any person other than one described in section 2 of this Appendix.

5.3 Notwithstanding any other provision of this Appendix, the IRS will not disclose or make known in any manner whatever to any person other than one described in Section 2 of this Appendix--

- (a) any original, copy, or abstract of any return, payment, or registration made pursuant to chapter 35 of the Code (relating to taxes on wagering);
- (b) any record required for making any such return, payment, or registration made or required pursuant to chapter 35 which the IRS is permitted by the taxpayer to examine or which is produced pursuant to section 7602 of the Code (relating to the examination of books and witnesses); or
- (c) any information obtained by the exploitation of any such return, payment, registration, or record made or required pursuant to chapter 35.

5.4 Notwithstanding any other provision of this Agreement or Appendix, the Internal Revenue Service will disclose or make known in any manner to any person described in section 2 of this Appendix taxpayer information which was obtained pursuant to a tax convention or exchange of information agreement between the United States and a foreign government only if such disclosure is authorized by both the relevant convention or agreement and the Code.

SECTION 6. Officials to Contact for Obtaining Information

6.1 Requests by the Bureau for Federal returns and Federal return information should be made to the officials named below:

- (a) Requests by the Bureau for Federal return information in magnetic media should be made to the Assistant Commissioner (International), who will be responsible for coordinating the requests with the IRS National Office;
- (b) Requests for physical inspection or copying of Federal returns, or requests for audit abstracts and reports pertaining to such returns, showing addresses within the possession should be made to the Director, Internal Revenue Service Center, Philadelphia, PA, who will be responsible for making the proper arrangements for inspection or copying; and

(c) Requests by the head of the Bureau for Federal returns of taxpayers or Federal return information relating to taxpayers showing addresses outside the possession should be made to the Assistant Commissioner (International).

6.2 Requests by authorized officers and employees of the IRS for inspection or copying of possession returns and possession return information should be made to the Director, Virgin Islands Bureau of Internal Revenue.