

# International Compliance Bulletin



May 2009  
(as at 20<sup>th</sup> May 2009)

## Introduction

International Compliance Bulletin is a digest of material drawn from carefully selected sources around the world, excluding news from the European Economic Area (EEA) and United Kingdom, plus a round up of relevant market news.

Ordinarily, readers should be able to obtain all of the basic information they need on these publications from our Bulletins. However, access to original source material (from English sites) is provided by way of a link at the end of each article. Where we feel that benefit will be gained from reading the source material we will say so.

We strongly recommend that International Compliance Bulletins are retained for future reference. They should also be used as the basis of the Compliance Implications section of the Compliance Oversight Officer's Report. For more information on EU, EEA or UK domestic issues, please refer to the European Compliance Bulletin and the Compliance Bulletin. Both are available on request from our Cheadle Hulme office in the United Kingdom.

## Index

The purpose of this index is to enable readers to readily identify those articles in The International Compliance Bulletin that are most likely to be of interest to them. We do however suggest that this bulletin should be read in its entirety.

1	UK-Mexico Update Double Tax Agreement	Firms or persons with interests in both jurisdictions
2	Basel Committee Guidance on Due Diligence for Cross Border Transfers	Banks
3	IAIS Calls on Accounting Bodies to Standardise Treatment of Financial Instruments Urgently	Institutional investors and market participants
4	IOSCO Publishes Draft Report on Unregulated Markets, Products	Market Participants
5	Australia: Complaints Handling Scheme Amended, New FOS Launched	All firms in Australia
6	Australia: New Guidance on Use of Pension Scheme Reserves	Pension schemes, trustees in Australia
7	Australia Consults on Enhanced Supervision for Life Companies	Holding and life companies in Australia
8	Bermuda Consults on Internal Models for Reinsurers	Reinsurance companies in Bermuda
9	Gibraltar: Regulator Streamlines Authorisation Process and Forms	Applicant firms in Gibraltar
10	Jersey: Updates to AML Handbook	Foundations in Jersey
11	Malaysia: Changes to Capital Market Structure, New Listing Framework	Market participants and institutional investors in Malaysia
12	Singapore: New Guidelines for Islamic Banking	Banks in Singapore
13	USA: New Custody Rules for Investment Advisers	US Investment Advisers

## UK REVENUE & CUSTOMS DEPARTMENT (HMRC)

<b>1</b>	<b>UK-Mexico Update Double Tax Agreement</b>	
	<b>Who does this affect?</b> Firms or persons with interests in both jurisdictions	
	<b>Our Comment: Much of the provisions are aimed at strengthening existing anti-avoidance measures and improving enforcement approaches</b>	
	<p>The United Kingdom HM Revenue and Customs (HMRC) has confirmed that a Protocol to Double the Taxation Convention between the UK and Mexico has been signed.</p> <p>The Protocol updates the exchange of information provisions to bring these into line with current Organization of Economic Cooperation and Development (OECD) standards and practice. However, it also includes an “assistance in collection Article” intended to give greater force to tax collection efforts (particularly from the UK authorities) and provisions covering the taxation of dividends paid by property investment vehicles to ensure that the new Mexican business tax is covered by the Convention.</p> <p>The draft text of the Protocol will shortly be presented to Parliament for approval. It will enter into force once both countries have completed their legislative procedures and will come into effect for the exchange of information and the assistance in collection of taxes immediately after that. It shall have a backdated effect for the new Mexican business tax from 1<sup>st</sup> January 2008.</p> <p><a href="http://www.hmrc.gov.uk/si/tt-uk-mexico.pdf">http://www.hmrc.gov.uk/si/tt-uk-mexico.pdf</a></p> <p>Article Reference: ICB260509a</p>	

## SUPRA-NATIONAL BODIES

### Bank of International Settlements/Basel Committee

<b>2</b>	<b>Basel Committee Guidance on Due Diligence for Cross Border Transfers</b>	
	<b>Who does this affect?</b> Banks	
	<b>Our Comment: Important for banks to note the provisions, as the guidance sets out supervisors' expectations in this area</b>	
	<p>The Basel Committee on Banking Supervision has issued final guidance on due diligence and transparency for cover payment messages on cross-border wire transfers.</p> <p>The paper is intended to provide guidance for cases in which one or more intermediary banks are located neither in the jurisdiction of the originator's bank nor in that of the beneficiary's bank.</p> <p>The guidance includes:</p> <ul style="list-style-type: none"><li>• information that must be included in payment messages on cover payments;</li><li>• the mechanisms that must be used to ensure that complete and accurate information has been included in such messages, and</li><li>• the use that should be made of the information for anti-money laundering purposes and to combat the financing of terrorism.</li></ul> <p><a href="http://www.bis.org/publ/bcbs154.htm">http://www.bis.org/publ/bcbs154.htm</a></p> <p>Article Reference: ICB260509b</p>	

### Financial Action Task Force

*Nothing significant this month*