



## PROMOTING TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

A Background Information Brief

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1. Tax avoidance and tax evasion threaten government revenues throughout the world. The US Senate estimates revenue losses amount to 100 billion dollars a year and in many European countries the sums run into billions of euros. This translates into fewer resources for infrastructure and affects the standard of living for all of us in both developed and developing economies. Globalisation generates opportunities to increase global wealth but also results in increased risks. The increase in cross-border flows that come with a global financial system require more effective tax cooperation. Better transparency and information exchange for tax purposes are key to ensuring that taxpayers have no safe haven to hide their income and assets and that they pay the right amount of tax in the right place. The OECD is the leading organisation in the area of tax cooperation and has been working on the issues of transparency and exchange of information for over 15 years.

2. Since the beginning of 2008 international tax evasion and the implementation of high standards of transparency and exchange of information have been very high on the political agenda, reflecting recent scandals that have affected countries around the world and the spotlight that the global financial crisis has put on financial centres generally. Tax transparency was a key feature of the G20 Summits in Washington, London and Pittsburgh. In London, the G20 leaders stated that:

*We agree to take action against non-cooperative jurisdictions, including tax havens. We stand ready to deploy sanctions to protect our public finances and financial systems. The era of banking secrecy is over. We note that the OECD has today published a list of countries assessed by the Global Forum against the international standard for exchange of tax information.*

3. In Pittsburgh they underscored the need for quick progress, stating that they “stand ready to use countermeasures” against jurisdictions that do not adopt the standards developed by the OECD and the Global Forum. The G 20 Finance Ministers and Central Bank Governors have constantly supported the work of the Global Forum and most recently in Pusan in June 2010. (See Annex II for a history of G7/G8/G20 support for this work)

4. In 2009, more progress toward full effective exchange of information has been made than in the past decade. In the run up to the G20 summit held in London on 2 April 2009, the standards on transparency and exchange of information developed by the OECD were endorsed by all key players, including jurisdictions which had so far been opposed to exchanging bank information. As a result, the standard of information exchange on request, including bank and fiduciary information, is now universally endorsed and the UN has incorporated the OECD standard in the UN Model Tax Convention in October 2008. The OECD Secretary General stated “what we are witnessing is nothing short of a revolution. By addressing the challenges posed by the dark side of the tax world, the campaign for global tax transparency is in full flow. We have equipped ourselves with the institutional means to continue the campaign. With the crisis, global public opinion’s expectations are high, their tolerance of non-compliance is zero and we must deliver”.

5. Not only has the standard been universally endorsed but it is now being implemented as hundreds of information exchange instruments have been concluded over the past few months. Information exchange requires that jurisdictions do conclude such international agreements to be in a position to enter administrative assistance in all tax matters. Since 2009, almost 500 agreements were signed by jurisdictions which were identified by the OECD as not substantially implementing the standard in the progress report published on 2 April in conjunction of the G20. Since that date,

29 jurisdictions have been removed from that category for having signed at least 12 agreements to the standards. Even though some offshore financial centres (OFCs) have signed agreements with other OFCs, the vast majority of agreements are with countries which have an interest in obtaining information for tax purposes. Also, many of the jurisdictions which have reached the threshold of 12 agreements continue negotiating and signing more agreements.

6. Signing agreements is a necessary step towards full implementation of the standard. It is however also necessary that these agreements enter into force and are effectively implemented. In order to monitor and trigger effective exchange, the Global Forum on Transparency and Exchange of Information for Tax Purposes was restructured and strengthened as decided at its Mexico meeting on 1-2 September 2009. The Global Forum now includes 95 members on an equal footing. Membership includes all G20 members, all OECD countries and all offshore jurisdictions. It has a three year mandate to peer review all the members and other jurisdictions which may require special attention. The peer reviews will encompass two phases: Phase 1 will review the legal and regulatory frameworks while phase 2 will assess the practical implementation of the standard. The reports will include recommendations to improve the situation in the reviewed jurisdictions.

7. In fewer than 3 months, the Global Forum Secretariat has been established and is now fully operational. In February the Global Forum adopted Terms of Reference, a Methodology and a note on Assessment Criteria. A Schedule of Reviews has also been approved. All these documents are available on the Global Forum web site at [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency).

8. As a result, the first set of peer reviews were launched on 1 March 2010. It covers a first group of 18 jurisdictions: Australia, Barbados, Bermuda, Botswana, Canada, Cayman Islands, Denmark, Germany, India, Ireland, Jamaica, Jersey, Mauritius, Monaco, Norway, Panama, Qatar, Trinidad & Tobago. Eight review reports in the cases of Bermuda, Botswana, Cayman Islands, India, Jamaica, Monaco, Panama and Qatar were adopted in the PRG Meeting on 20-22 July 2010 in The Bahamas and should be adopted at the Global Forum Meeting on 29-30 September 2010 in Singapore. The reviews are a first step in a three-year process approved in February by the Global Forum in response to the call by G20 leaders at their Pittsburgh Summit in September 2009 for improved tax transparency and exchange of information. A second set of twenty reviews will be launched shortly.

9. In addition, the G20 and the OECD have stressed the importance for developing countries to benefit from the sea change in transparency and exchange of information. Already some emerging economies have entered into negotiations of tax information exchange instruments. It is in particular the case of Argentina, China, India, and South Africa. The Global Forum membership is open to developing countries. The OECD has also amended the joint OECD Council of Europe Convention on Administrative Assistance in order to bring it up to the standard and open it up for signatures to non OECD countries. The protocol amending the Convention was signed by 15 countries at the OECD Ministerial Council Meeting on 27 May 2010. The original convention entered into force in 1995. Once 5 of these countries have ratified the Protocol economies in transition and developing countries will be able to join the updated Convention. It currently groups 14 countries -- Azerbaijan, Belgium, Denmark, Finland, France, Iceland, Italy, Netherlands, Norway, Poland, Sweden, United Kingdom, United States, and Ukraine -- with Canada, Germany and Spain having signed it but not yet ratified it. Other OECD and Council of Europe members, including some that are G20 countries, are looking at becoming parties to the convention, and it is now being opened up to other countries that are not members of either the OECD or the Council of Europe members.

10. Together with the Development Assistance Committee, the OECD Committee for Fiscal Affairs are developing a technical assistance programme as well as exploring means to ensure developing countries benefits fully of the recent changes. A Task Force on Tax and Development was established and met on 11 May 2010 in Paris.

### ***Recent progress***

11. Progress in 2009 can be summarised as follows:

- **In 2009, the standard has been universally endorsed** as the four OECD countries (Austria, Belgium, Luxembourg and Switzerland) which were opposed lifted their reservation to Article 26 of the OECD Model. The three non-cooperative tax havens which refused to endorse the standard finally did so in March (Andorra, Liechtenstein and Monaco). The four Global Forum jurisdictions which had not committed to implement the standard on 2 April did so soon after this date (Costa Rica, Malaysia, Philippines and Uruguay). Finally, all the non-OECD countries which expressed a reservation to Article 26 withdrew their reservation, including Brazil, Chile and Thailand. As the UN also endorsed the new version of Article 26, the standard can now be considered as the internationally agreed standard.
- The standard is now being implemented by countries which were reluctant to commit to it: since 2009 more than 320 TIEAs were signed and 150 double taxation conventions (DTCs) or protocols have been signed or brought up to the standard by countries which were considered not to have substantially implementing the standard on 2 April. Altogether these jurisdictions have now signed almost 360 TIEAs since 2000 with dozens more under negotiation.
- Austria, Andorra, The Bahamas, Chile, Hong Kong, China, Liechtenstein, Macao, China, Malaysia, Panama, the Philippines, San Marino and Singapore have passed legislation aimed at implementing their commitments to the international tax standard.
- Costa Rica and Guatemala have initiated important legislative changes intended to allow them to meet the international tax standards.
- Since the issuance of the 2nd April 2009 Progress Report 29 jurisdictions – Andorra, Anguilla, Antigua and Barbuda, Aruba, Austria, The Bahamas, Bahrain, Belgium, Bermuda, British Virgin Islands, Brunei, Cayman Islands, Chile, Dominica, Gibraltar, Grenada, Liechtenstein, Luxembourg, Malaysia, Monaco, Netherlands Antilles, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Samoa, San Marino, Singapore, Switzerland and the Turks and Caicos Islands – have moved to the category of jurisdictions having substantially implemented the standard in the Progress Report.
- In addition, 2 jurisdictions - Brazil and Indonesia – have since joined the Global Forum, provided detailed information on their treaty networks. They have demonstrating that they have substantially implemented the internationally agreed tax standard.

12. These policy changes represent a very significant step toward a level playing field as regards exchange of information for tax purposes. However, these must now be followed up with swift and consistent implementation, which the OECD and the Global Forum will review and closely monitor.

### ***The Standards of Transparency and Exchange of Information***

13 The standards of transparency and exchange of information that have been developed by the OECD are primarily contained in the Article 26 of the OECD Model Tax Convention and the 2002 Model Agreement on Exchange of Information on Tax Matters. The standards have been adopted by the G20 Ministers of Finance at a meeting in Berlin (Germany) in 2004, Xianghe (China) in 2005 and by the UN Committee of Experts on International Cooperation in Tax Matters in October 2008. They serve as a model for the vast majority of the 3600 bilateral tax conventions entered into by OECD and non-OECD countries and are the international norm for tax co-operation.

14 The standards require:

- Exchange of information on request where it is “foreseeably relevant” to the administration and enforcement of the domestic laws of the treaty partner.
- No restrictions on exchange caused by bank secrecy or domestic tax interest requirements.
- Availability of reliable information and powers to obtain it.
- Respect for taxpayers’ rights.
- Strict confidentiality of information exchanged.

15. These requirements strike a balance between privacy and the need for jurisdictions to enforce their tax laws. A jurisdiction requesting information must establish that the information is “foreseeably” relevant to the administration and enforcement of its tax laws, which rules out so-called “fishing expeditions”. The scope of the information that may be requested, however, is extremely broad. Where the information requested is “foreseeably relevant”, then this will cover any and all information that relates to the enforcement and administration of the requesting jurisdictions’ tax laws, including, information relating to interest, dividends or capital gains, bank information, fiduciary information relating to trusts, or ownership information of companies.

### ***The Global Forum on Transparency and Exchange of Information***

16 Since 2000, the Global Forum has been the multilateral framework within which work in this area has been carried out by both OECD and non-OECD economies. From 2006, the Global Forum has published annual assessments of the legal and administrative framework for transparency and exchange of information in over 80 countries. The last update was published in September 2009 as *Tax Co-operation 2009: Towards a Level Playing Field – 2009 Assessment by the Global Forum on Transparency and Exchange of Information* ([www.oecd.org/ctp/http/cooperation](http://www.oecd.org/ctp/http/cooperation)). Political attention to the Global Forum’s work, and the urgency of ensuring that high standards of transparency and exchange of information are in place around the world, made it imperative to review the Global Forum’s structure and mandate.

17. The Global Forum met in Mexico on 1-2 September 2009 to discuss progress made in implementing the international standards, and how to respond to international calls to strengthen the work of the Global Forum. (For the outcomes of the Global Forum meeting see Annex I.) Participants agreed that the Global Forum should:

- be restructured to include all OECD, G20 and other jurisdictions covered by the 2009 Assessment, as an organisation established under Part II of the OECD budget – this means that the Global Forum is funded by its members who each have an equal footing;
- establish a self-standing dedicated secretariat based in the OECD Centre for Tax Policy and Administration;
- carry out an in-depth monitoring and peer review of the implementation of the standards of transparency and exchange of information for tax purposes;
- develop multilateral instruments to speed up negotiations; and
- ensure that developing countries benefit from the new environment of transparency.

18. To fulfil this mandate, the Global Forum set up a 15 member Steering Group, chaired by Australia with Vice-Chairs from China, Germany and Bermuda, to guide the work of the Global Forum. In addition, a 30 member Peer Review Group chaired by France and assisted by four Vice-Chairs – India, Japan, Singapore and Jersey. The Peer Review Group's first task has been to develop the methodology and detailed terms of reference for a robust, transparent and accelerated process. The first meetings of the Peer Review Group took place in October and December 2009 and delegates have worked diligently to lay the foundations for the reviews, which have begun in March 2010.

19. All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, will undergo reviews of the implementation of their systems for the exchange of information in tax matters. This will take place in two phases. Phase 1 reviews will assess the quality of a jurisdiction's legal and regulatory framework for the exchange of information, while Phase 2 will look at practical operation of that framework. All jurisdictions will undergo Phase 1 reviews before June 2012 and all Phase 2 reviews should be completed before June 2014. The reviews began in March 2010. A schedule of reviews has been published at [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency) so that the public can follow the Global Forum's progress, and the outcome of the reviews will also be published once they are adopted by the Global Forum. In addition, a system of on-going monitoring has been put in place to ensure that developments which occur after a review is complete are acknowledged and to make sure that the most complete and up-to-date information about all the jurisdictions covered by the Global Forum's work is available to the public. This will include a database of information concerning transparency and exchange of information on the Global Forum website.

20. The next meeting of the Global Forum will be held in Singapore on 29-30 September 2010.

Please consult the Global Forum's website at [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency) for more information.

### ***Enabling All Countries to Benefit from the New Transparency Environment***

21. Emerging economies are already drawing benefits from international changes in favour of more transparency and exchange of information. Argentina, China and India have recently concluded a number of TIEA or DTCs, including Article 26 of the OECD Model Convention. Major non-OECD countries, including some within the G20, have withdrawn their positions on the exchange of information provision of the OECD Model Tax Convention (Brazil, Chile, Malaysia, Romania, Serbia and Thailand). Today all of the 30 non-OECD countries which have formally set out their positions on the OECD Model have removed their objections to the international standard on exchange of information incorporated into Article 26.

22. Developing countries often lack the resources and capacity to build effective tax administration and although there have been improvements in revenue raising efforts over the last few years, half of sub Saharan African countries still mobilise less than 17% of their GDP in tax revenues, as against an average of around 35% in OECD countries. The external environment also poses new challenges. The global shift away from tariffs has added to the problems of domestic revenue-raising and striking the right balance between an attractive tax regime for investment and growth, and securing the necessary revenues for public spending, is a key policy dilemma. Globalisation exacerbates these fiscal problems, as internationally mobile capital becomes more difficult to tax.

23. Offshore financial centres, broadly defined, reduce revenue available to developing countries where they act as a destination for income streams and wealth protected by a lack of transparency and show a refusal or inability to exchange information with revenue authorities who may have taxing rights in respect of that income or those assets. Data on revenues lost by developing countries from offshore non compliance is unreliable. Most estimates, however, exceed by some distance the level of aid received by developing countries—around USD 100 billion annually.

24. A key issue now is how developing countries can best be supported to take advantage of the more transparent international environment, and to strengthen their tax systems. International organisations and bilateral donors can help developing countries to:

- Enter into exchange of information agreements for tax purposes, including through multilateral mechanisms where possible in order to ensure quick implementation;
- Create administrative structures to implement exchange of information mechanisms and to protect the confidentiality of information exchanged;
- Strengthen administrative capacity including audit mechanisms to enable developing countries to request and use information obtained under agreements efficiently and in a way which significantly increases the legitimate enforcement of their tax legislation;
- In broader terms such support also can help develop and restructure tax systems;
- Fighting corruption and enhancing integrity within tax administrations.

These issues are currently being discussed both within the OECD and the Global Forum, as well as in co-ordination with other international organisations that have an interest in this work.

### ***Speeding up the Process***

25. The OECD is currently pursuing important strategies to help accelerate the development of adequate exchange of information networks. One stream is a process of multilateral negotiations toward bilateral agreements for the exchange of information. The OECD has initiated three pilot projects, two in the Caribbean and one in the Pacific. All of the pilot projects have been successful. More than 100 agreements have already been signed or are currently being concluded as a result of the initiative. The initiative has allowed a number of smaller jurisdictions such as Antigua and Barbuda, the Cook Islands, Samoa and the Turks and Caicos Islands to quickly put in place a significant network of agreements with OECD countries. It has also allowed some of these jurisdictions to move into the “substantially implemented” category in the Progress Report. These experiments have been extended to Costa Rica and Liberia. More than 100 agreements have been signed so far from these initiatives. It is being considered to extend this to developing countries.

26. The second strand was to update the OECD – Council of Europe Convention on Mutual Administrative Assistance in Tax Matters so that it ensures exchange of information in accordance with the standards and allows jurisdictions that are not members of either the OECD or Council of Europe to become a party to it. The steps necessary to revise the convention are almost complete. Its effect is to align the convention to the international standard on information exchange for tax purposes by allowing for the exchange of bank information. This initiative responds to a call by G20 leaders at their April 2009 summit for proposals as to ways to help developing countries secure the benefits of the new cooperative tax environment.

27. Finally, the 2002 Model Agreement on Exchange of Information on Tax Matters sets out two options: a bilateral and a multilateral TIEA. The multilateral model TIEA does not provide for a “multilateral” agreement in the traditional sense. Instead, it provides the basis for an integrated bundle of bilateral treaties, so that a party to it would only be bound by the Agreement vis-à-vis the specific parties with which it agrees to be bound. Perhaps due to the novelty of the multilateral approach, the Model has to date only been implemented in its bilateral form. The OECD has developed a protocol designed to facilitate the implementation of the multilateral approach.

### ***The OECD’s Harmful Tax Practices Project***

28. Another key aspect of the OECD’s work on promoting the standards of transparency and exchange of information has been its harmful tax practices project, which was launched in 1996 at the behest of the G7. This initiative is carried out through the Forum on Harmful Tax Practices, a subsidiary body of the Committee on Fiscal Affairs (CFA), and has consistently garnered the support of the international community. The first major output of the Forum on Harmful Tax Practices was the 1998 Report, *Harmful Tax Competition: An Emerging Global Issue*<sup>1</sup>. The publication of this report initiated a period of intense dialogue aimed at eliminating preferential tax regimes within OECD member states<sup>2</sup>, identifying “tax havens” and seeking their commitments to the principles of transparency and effective exchange of information and encouraging other non-OECD economies to associate themselves with the harmful tax practices work. Between 2000 and 2002 the OECD worked with these jurisdictions to secure their commitment to implement the OECD’s standards of transparency and exchange of information.<sup>3</sup> This dialogue with non-OECD members ultimately transformed into the Global Forum on Transparency and Exchange of Information, and many of these jurisdictions now play active roles on its Steering Group and Peer Review Group (Bermuda, British Virgin Islands, Cayman Islands, Isle of Man, Jersey, Malta, Mauritius, St. Kitts and Nevis, Samoa and The Bahamas).

### ***Access to Bank Information for Tax Purposes***

29. In parallel with the work on harmful tax practices, the OECD’s Committee on Fiscal Affairs (CFA) is examining the extent to which OECD Member countries and observer countries have access to bank information for tax purposes. In 2000, *Improving Access to Bank Information for Tax Purposes* was published. The report set out an ideal standard of access to bank information, namely, that “all Member countries should permit access to bank information, directly or indirectly, for all tax

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<sup>1</sup> Luxembourg and Switzerland abstained in the approval of the report.

<sup>2</sup> The project has been very successful. By 2004, all but one of the preferential tax regimes identified within the OECD had been abolished, amended or found not to be harmful. The only outstanding regime was the Luxembourg 1929 holding company regime. In December 2006 Luxembourg enacted legislation to abolish the regime by the end of 2010.

<sup>3</sup> See *Towards Global Tax Co-operation: Progress in Identifying and Eliminating Harmful Tax Practices* (2000) for a detailed history of the tax haven criteria and the development of these lists.



purposes so that tax authorities can fully discharge their revenue raising responsibilities and engage in effective exchange of information with their treaty partners". The CFA has been closely monitoring the progress made in implementing this standard and has issued two progress reports, in 2003 and 2007. With the announcements in 2009 by Austria, Belgium, Luxembourg and Switzerland, all OECD countries now endorse this standard.

### ***Improving Compliance***

30. The CFA also investigates how member governments can co-operate to minimise the extent of tax evasion and avoidance. In this regard it has mandated a focus group to study the role that no or nominal tax jurisdictions play in tax evasion. This work is intended to both identify particular challenges that these jurisdictions pose for tax administrations and to help administrations adopt best practices. The CFA is also about to publish a study on the effectiveness of offshore compliance initiatives launched by OECD and non-OECD countries.

31. Another important aspect of compliance work is carried out through the OECD's Forum on Tax Administration (FTA), established by the CFA in 2002, which brings together tax commissioners from over 40 countries to promote cooperation between revenue bodies and to develop good tax administration practices. Over the last few years the FTA has examined a wide range of issues in the areas of compliance risk management, taxpayer services, and use of modern technology. [At Seoul, Korea in September 2006](#), the FTA agreed to work together on ways to improve tax administration and to address the significant and growing problem of international non-compliance with national tax requirements. The Seoul Declaration ([www.oecd.org/ctp/ta/seouldeclaration](http://www.oecd.org/ctp/ta/seouldeclaration)) issued in conjunction with that meeting identified four areas in which the tax administration heads planned to intensify existing work or initiate new work under the auspices of the OECD, including:

- further developing a directory of aggressive tax planning schemes to assist member countries identify trends and measures to counter such schemes; and
- an examination of the role of tax intermediaries in relation to the promotion of unacceptable tax minimization arrangements.

32. At their subsequent meeting in January 2008 in Cape Town, South Africa -- the outcomes of which are set out in the [Cape Town Communiqué](#) -- the FTA Commissioners endorsed the conclusions and recommendations of the Study into the Role of Tax Intermediaries. The scope of this study was widened following the Seoul meeting to examine the tripartite relationship between large business taxpayers, revenue bodies and tax intermediaries on the basis that taxpayers represented the demand side of "unacceptable tax minimisation arrangements". The Commissioners also noted the further progress with the development of the directory of aggressive tax planning schemes. In addition, responding to a recommendation of tax intermediaries' study, they commissioned further follow-up studies involving the tax planning activities of high-net-worth individuals and banks. These studies were finalised and published in June 2009.

33. The FTA Commissioners have recently endorsed a work programme for 2010 which will continue to focus on unacceptable tax minimisation arrangements. Commissioners will be examining (1) the range of initiatives used to encourage those taxpayers who have used tax havens to hide their income and gains to come forward to regularise their tax affairs and (2) as how to best leverage from the recent advances in exchange of information through greater use of joint audits of taxpayers operating in multiple jurisdictions, exploring the linkages between good corporate governance and tax compliance. The outcomes of this work will be discussed at the FTA meeting in Istanbul in September 2010.

**ANNEX I:  
CHRONOLOGY OF G7/G8/G20 SUPPORT FOR THE OECD'S WORK ON  
TRANSPARENCY AND EXCHANGE OF INFORMATION**

*G 20 Leaders' Statement  
Toronto, Canada 26-27 June 2010*

**"We fully support the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and welcomed progress on their peer review process, and the development of a multilateral mechanism for information exchange which will be open to all interested countries. Since our meeting in London in April 2009, the number of signed tax information agreements has increased by almost 500. We encourage the Global Forum to report to Leaders by November 2011 on progress countries have made in addressing the legal framework required to achieve an effective exchange of information. We also welcome progress on the Stolen Asset Recovery Program, and support its efforts to monitor progress to recover the proceeds of corruption. We stand ready to use countermeasures against tax havens."**

*G20 Communiqué: Meeting of Finance Ministers and Central Bank Governors  
Washington D.C., U.S. 23 April 2010*

**"We also welcomed the report by the Global Forum on Tax Transparency and Exchange of Information, the launch of the peer review process, and the development of a multilateral mechanism for information exchange which will be open to all countries."**

*G20 Leaders' Statement  
Pittsburgh, U.S. 25 September 2009*

**"We are committed to maintain the momentum in dealing with tax havens...We stand ready to use countermeasures against tax havens from March 2010."**

*G-8 Declaration: Meeting of Heads of Government  
L'Aquila, Italy 8 July 2009*

**"[A]ll jurisdictions must now quickly implement their commitments. We cannot continue to tolerate large amounts of capital hidden to evade taxation."**

*Statement of G8 Finance Ministers  
Lecce, Italy, 13 June, 2009*

**"It is also essential to develop an effective peer-review mechanism to assess compliance...delivered by an expanded Global Forum."**

*G20 Communiqué: The Global Plan for Recovery and Reform  
London, U.K. 2 April 2009*

**[W]e agree...to take action against non-cooperative jurisdictions, including tax havens...We note that the OECD has today published a list of countries assessed by the Global Forum against the international standard for exchange of tax information...**

*G20 Declaration: Strengthening the Financial System  
London, U.K. 2 April 2009*

**“We stand ready to take agreed action against those jurisdictions which do not meet international standards in relation to tax transparency.”**

**“We are committed to developing proposals, by end 2009, to make it easier for developing countries to secure the benefits of a new cooperative tax environment.”**

*G20 Working Group on Reinforcing International Cooperation and Promoting Integrity in Financial Markets (WG2), Final Report: 27 March 2009*

**“We urge the international bodies responsible for prudential and regulatory standards, anti money laundering and terrorist financing, and tax matters - the FSF, the FATF and the OECD - to accelerate their work of identifying uncooperative jurisdictions and developing a toolbox of effective countermeasures against these jurisdictions...”**

*G20 Declaration of the Summit on Financial Markets and the World Economy  
Washington, D.C. 15 November 2008*

**“the Organization for Economic Cooperation and Development (OECD), should continue efforts to promote tax information exchange. Lack of transparency and a failure to exchange tax information should be vigorously addressed.”**

*G-8 Communiqué: Meeting of Heads of Government  
Hokkaido Japan 9 July 2008*

**“We urge all countries that have not yet fully implemented the OECD standards of transparency and effective exchange of information in tax matters to do so without further delay, and encourage the OECD to strengthen its work on tax evasion and report back in 2010.”**

*G-8 Communiqué: Meeting of Finance Ministers  
Osaka Japan 14 June 2008*

**“In view of the recent developments, we urge all countries that have not yet fully implemented the OECD standards of transparency and effective exchange of information in tax matters to do so without further delay. We welcome the efforts of the OECD in this regard, and ask the OECD to strengthen its work on tax evasion.”**

*G20 Communiqué: Meeting of Ministers and Governors in Melbourne  
18-19 November 2006*

**“Further progress is needed and we encourage continuing implementation efforts and call on those countries and territories that have not yet implemented high standards of transparency and exchange of information to do so.”**

*G20 Communiqué: Meeting of Finance Ministers and Central Bank Governors  
Xianghe, Hebei, China, 15-16 October 2005*

**“[W]e welcome the efforts of the OECD Global Forum on Taxation to promote high standards of transparency and effective exchange of information for tax purposes.”**

*G8 Communiqué on Africa  
Gleneagles, UK 14 July 2005*

**“We will continue to support Financial Stability Forums ongoing work to promote and review progress on the implementation of international standards, particularly the new process concerning offshore financial centres that was agreed in March 2005, and the OECD’s high standards in favour of transparency and exchange of information in all tax matters.”**

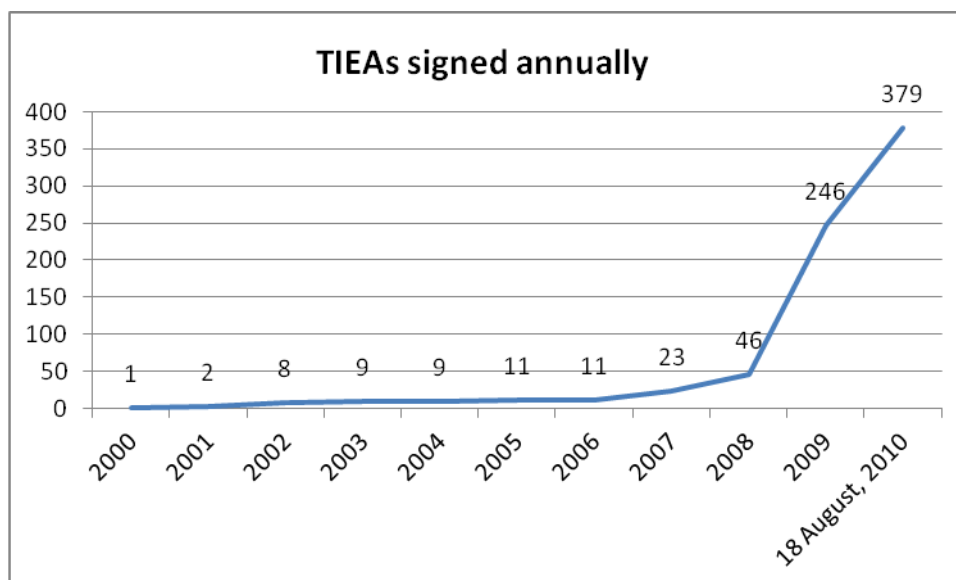
*G20 Statement on Transparency and Exchange of Information for Tax Purposes  
Meeting of Finance Ministers and Central Bank Governors  
Berlin, Germany 20–21 November 2004*

**“The G20 therefore strongly support the efforts of the OECD Global Forum on Taxation to promote high standards of transparency and exchange of information for tax purposes and to provide a cooperative forum in which all countries can work towards the establishment of a level playing field based on these standards.”**

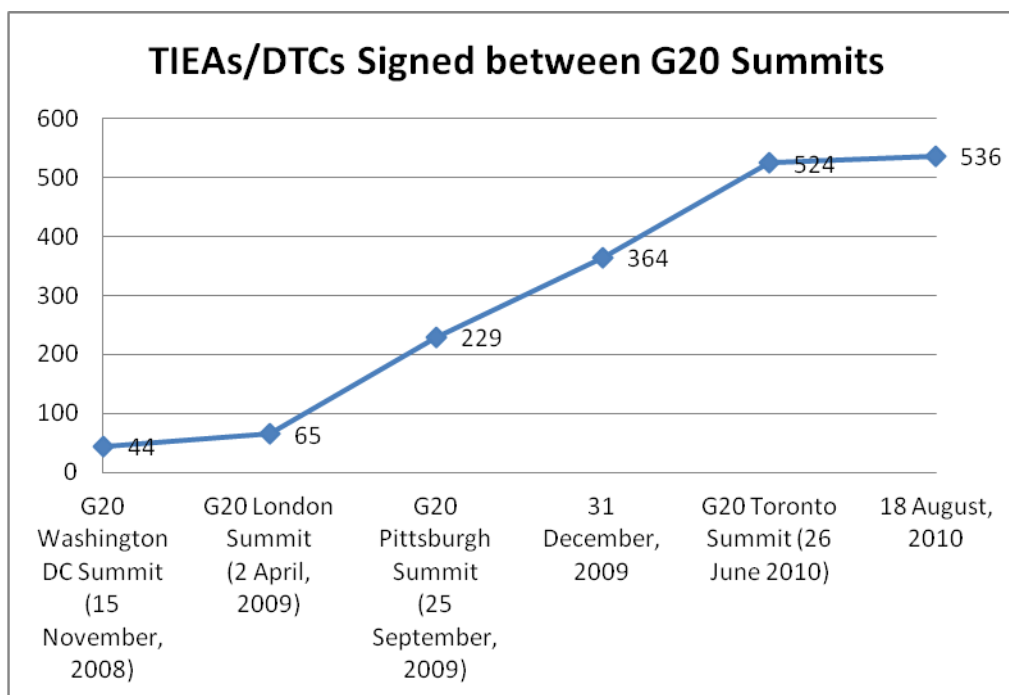
*G7 Economic Communiqué: Making a success of globalization for the benefit of all  
Lyon, France 28 June 1996*

**“We strongly urge the OECD to vigorously pursue its work in this field, aimed at establishing a multilateral approach under which countries could operate individually and collectively to limit the extent of these practices. We will follow closely the progress on work by the OECD, which is due to produce a report by 1998.”**

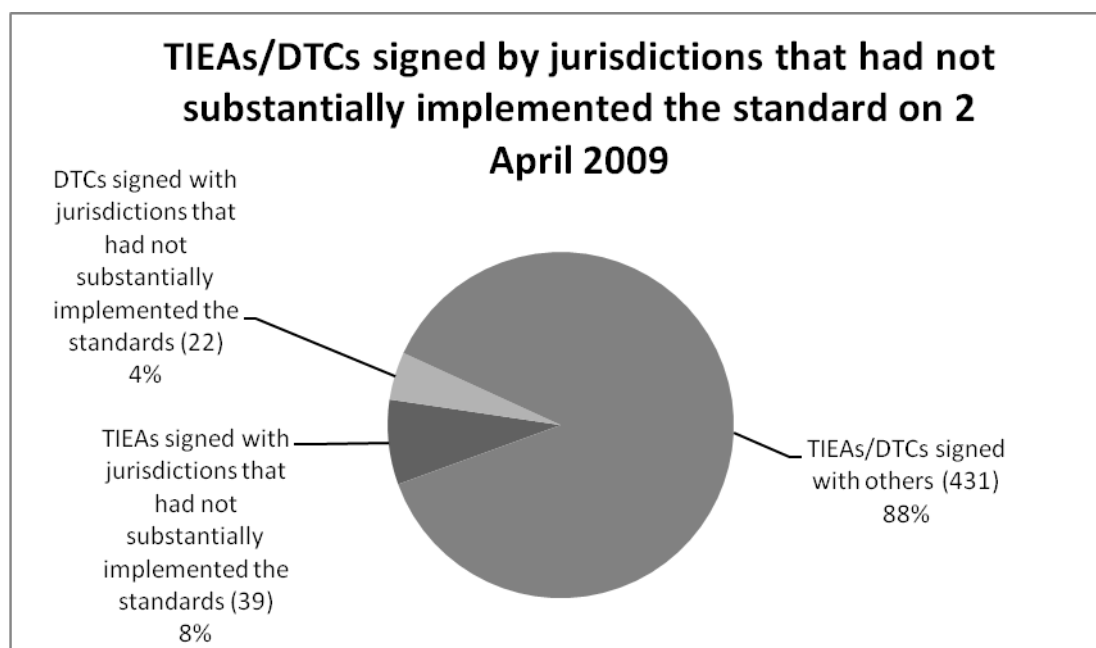
**ANNEX II:  
2009 –2010 YEARS OF THE G20: IMPACT ON IMPLEMENTATION**



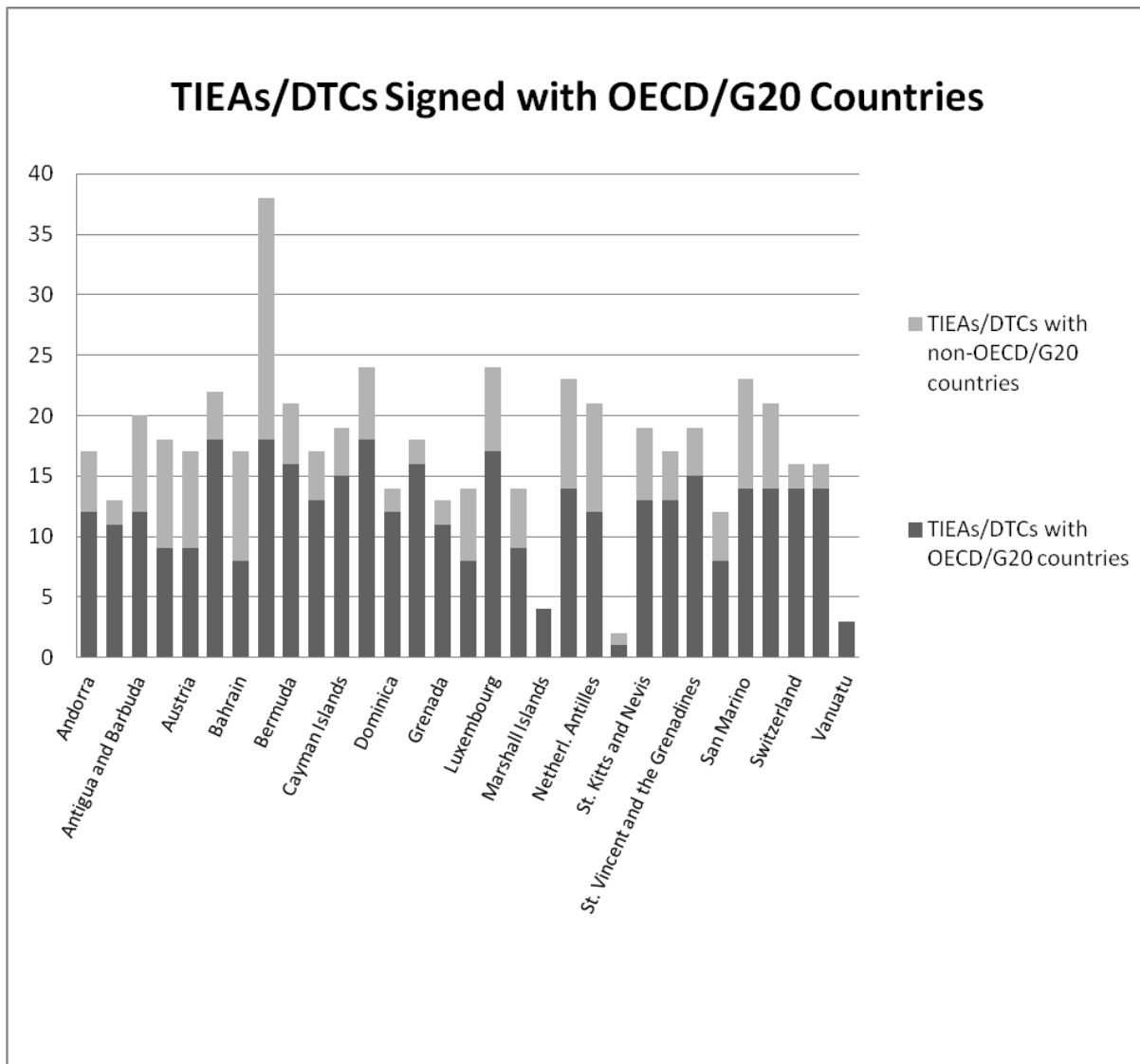
Up to the G20 Washington Summit on 15 November 2008 a total of 44 tax information exchange agreements (TIEAs) had been signed. Very few of the jurisdictions identified as not having substantially implemented the internationally agreed tax standard in the Progress Report issued in conjunction with the G20 Summit in London on 2 April had signed any double taxation conventions (DTCs) that met the standard. The 23 TIEAs agreed in 2008 were double the total number of agreements that had been signed since the Global Forum began in 2000. Following the G20 summit in Washington and in the run-up to the London Summit in April 2009 TIEA signings skyrocketed, as well as the negotiation of new DTCs or protocols to existing DTCs that incorporated the standard on exchange. A further 21 TIEAs/DTCs were agreed in just four months, and between the London Summit and the G20 meeting in Pittsburgh in September 164 more agreements were in place. The pace continued and by the end of the year a total of 36 jurisdictions working to substantially implement the standard had signed 200 TIEAs and upgraded 118 DTCs. Since January 2010, 133 TIEAs and upgraded 40 DTCs have been signed.



28 jurisdictions have been moved to the category of those jurisdictions having substantially implemented the standards for having signed at least 12 agreements to the standards. Even though some offshore financial centres (OFCs) have signed agreements with other OFCs, the vast majority of agreements are with countries which have an interest in obtaining information for tax purposes. The chart below shows that only a very small percentage (12%) of the agreements signed since the November 2008 G20 Summit have been entered into between jurisdictions that had not substantially implemented the standards on 2 April 2009.



Virtually all of the 28 jurisdictions which have reached the threshold of 12 agreements continue negotiating and signing more agreements.





## ANNEX V: OECD PROGRESS REPORT

**A PROGRESS REPORT ON THE JURISDICTIONS SURVEYED BY THE OECD GLOBAL FORUM IN IMPLEMENTING THE INTERNATIONALLY AGREED TAX STANDARD<sup>1</sup>**

 Progress made as at 18<sup>th</sup> August, 2010 ([Original Progress Report 2<sup>nd</sup> April 2009](#))

Jurisdictions that have substantially implemented the internationally agreed tax standard			
Andorra	Czech Republic	Japan	St Vincent and the Grenadines
Anguilla	Denmark	Jersey	Samoa
Antigua and Barbuda	Dominica	Korea	San Marino
Argentina	Estonia	Liechtenstein	Seychelles
Aruba	Finland	Luxembourg	Singapore
Australia	France	Malaysia	Slovak Republic
Austria	Germany	Malta	Slovenia
The Bahamas	Gibraltar	Mauritius	South Africa
Bahrain	Greece	Mexico	Spain
Barbados	Grenada	Monaco	Sweden
Belgium	Guernsey	Netherlands	Switzerland
Bermuda	Hungary	Netherlands Antilles	Turkey
Brazil	Iceland	New Zealand	Turks and Caicos Islands
British Virgin Islands	India	Norway	United Arab Emirates
Brunei	Indonesia	Poland	United Kingdom
Canada	Ireland	Portugal	United States
Cayman Islands	Isle of Man	Russian Federation	US Virgin Islands
Chile	Israel	St Kitts and Nevis	
China <sup>2</sup>	Italy	St Lucia	
Cyprus			

Jurisdictions that have committed to the internationally agreed tax standard, but have not yet substantially implemented					
Jurisdiction	Year of Commitment	Number of Agreements	Jurisdiction	Year of Commitment	Number of Agreements
<b>Tax Havens<sup>3</sup></b>					
Belize	2002	(4)	Nauru	2003	(0)
Cook Islands	2002	(11)	Niue	2002	(0)
Liberia	2007	(1)	Panama	2002	(2)
Marshall Islands	2007	(4)	Vanuatu	2003	(3)
Montserrat	2002	(3)			
<b>Other Financial Centres</b>					
Costa Rica	2009	(1)	Philippines	2009	(0)
Guatemala	2009	(0)	Uruguay	2009	(5)

Jurisdictions that have not committed to the internationally agreed tax standard			
Jurisdiction	Number of Agreements	Jurisdiction	Number of Agreements
All jurisdictions surveyed by the Global Forum have now committed to the internationally agreed tax standard			

<sup>1</sup> The internationally agreed tax standard, which was developed by the OECD in co-operation with non-OECD countries and which was endorsed by G20 Finance Ministers at their Berlin Meeting in 2004 and by the UN Committee of Experts on International Cooperation in Tax Matters at its October 2008 Meeting, requires exchange of information on request in all tax matters for the administration and enforcement of domestic tax law without regard to a domestic tax interest requirement or bank secrecy for tax purposes. It also provides for extensive safeguards to protect the confidentiality of the information exchanged.

<sup>2</sup> Excluding the Special Administrative Regions, which have committed to implement the internationally agreed tax standard.

<sup>3</sup> These jurisdictions were identified in 2000 as meeting the tax haven criteria as described in the 1998 OECD report.