

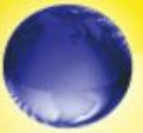


TAX TRANSPARENCY: IS IT THE END OF BANKING SECRECY?

Anzhela Cédelle, Counsellor at the Global Forum Secretariat

Global Forum on Transparency and Exchange of Information for Tax Purposes

Global Forum web site: www.oecd.org/tax/transparency



Increasing Pressure on Political Leadership



2008-2009

- US taxpayers found to be holding undisclosed bank accounts in Swiss banks
- Liechtenstein Tax scandal in 2008 and 2009 where wealthy individuals in Germany and other countries were found to be using LGT and other Liechtenstein banks and trusts to evade taxes
- **Why?** No or limited exchange of information networks, widespread bank secrecy, inefficient cooperation between tax authorities



Tax Transparency: A Turning Point

2009

The London G20 summit: *“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](#)”.*

G20 made a call to strengthen implementation of the Standard for exchange of tax information upon request and mandated the Global Forum to work towards this objective.

Global Forum restructured to provide for an open membership and a peer review process put in place.





Global Forum Membership

increased from

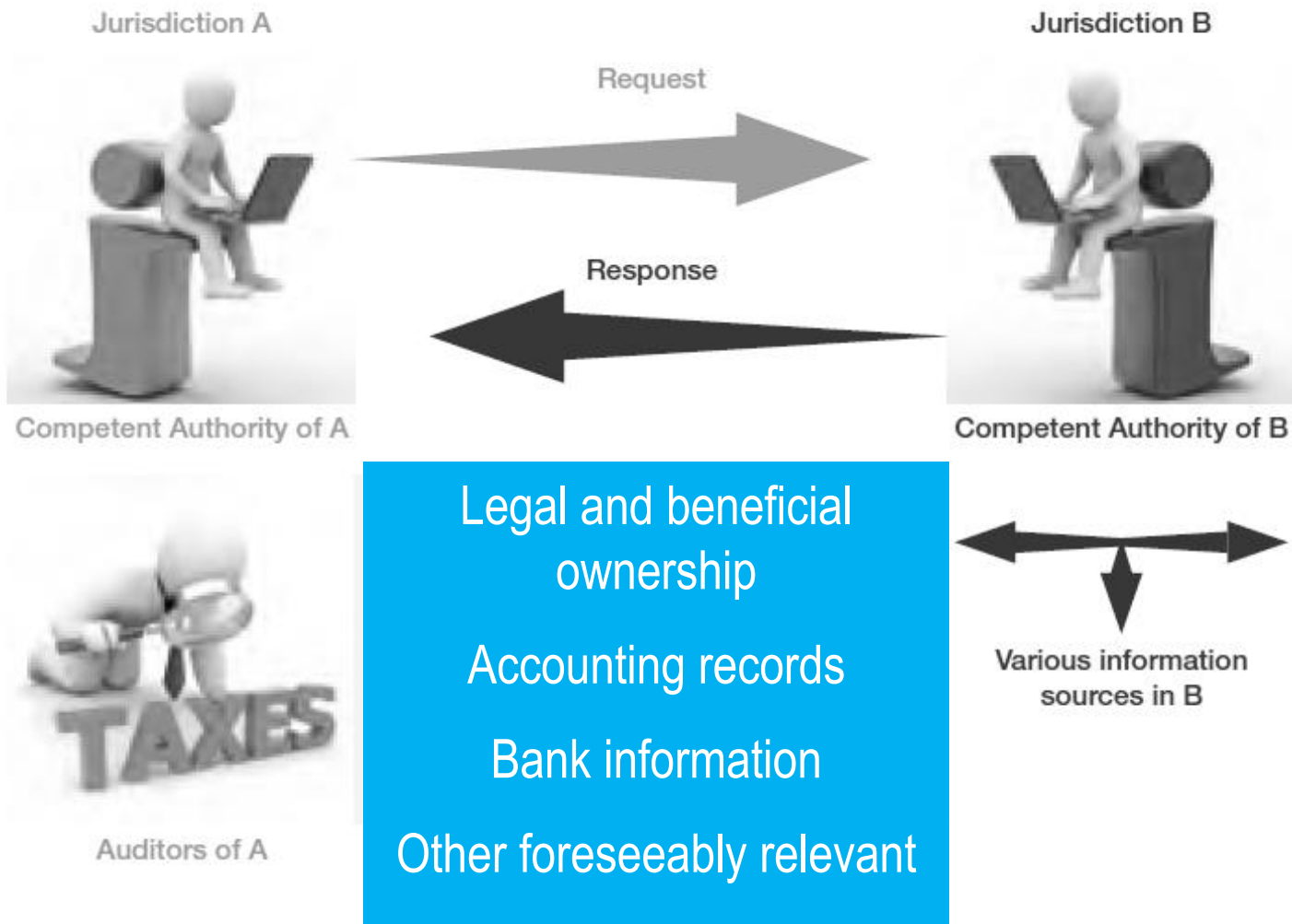
above 90 to 154 members

and it keeps growing at the approximate pace of 10 jurisdictions per year



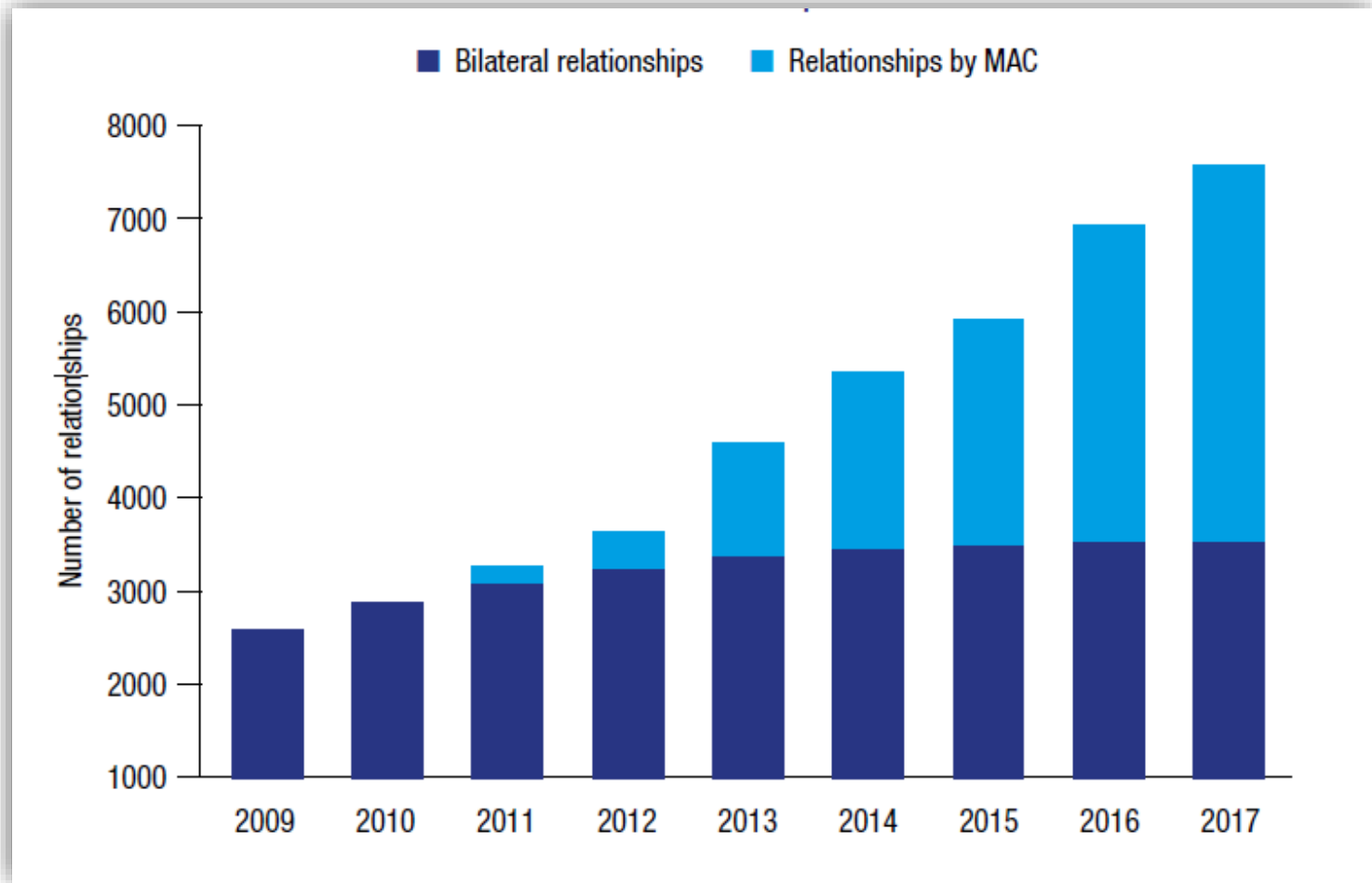


The EOIR Standard



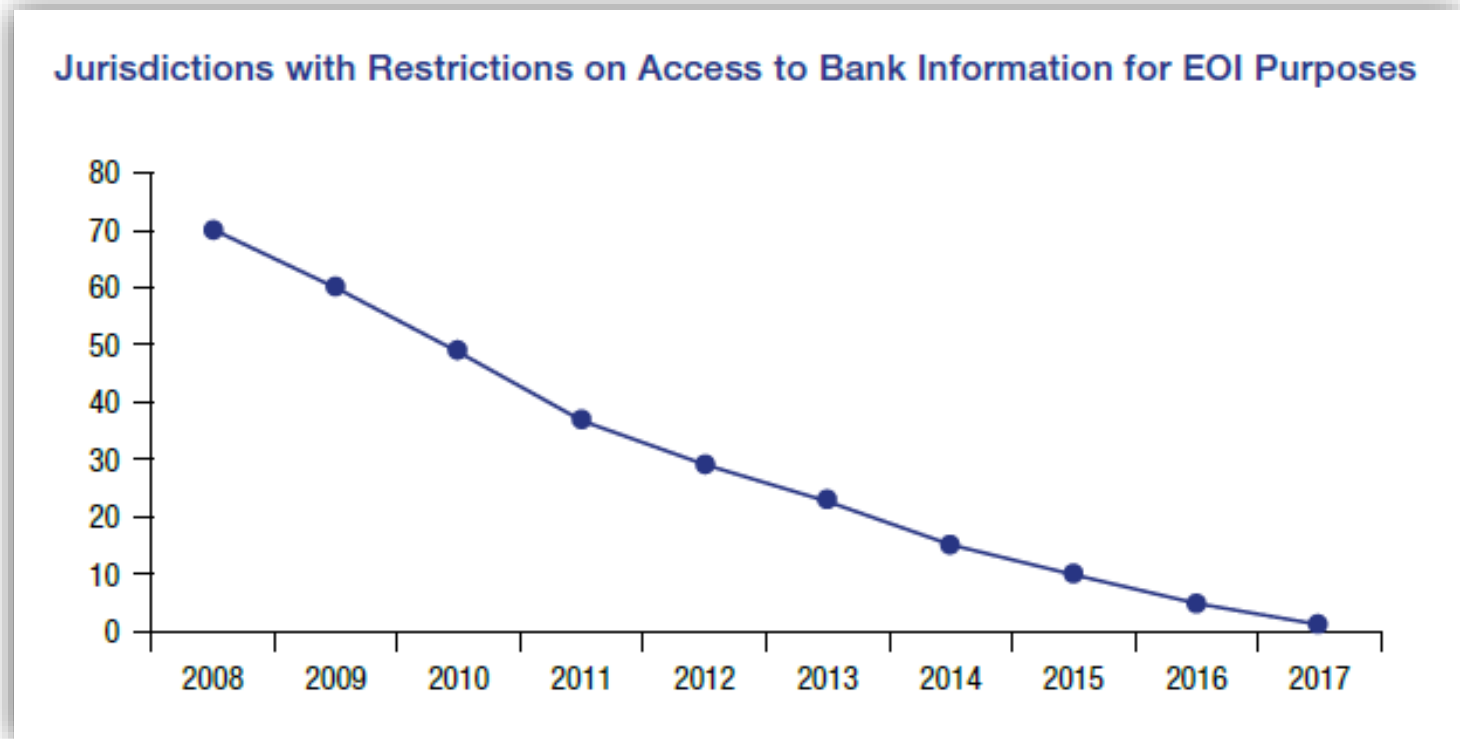


Expanding EOI Relationships





Eliminating Bank Secrecy for EOI Purposes

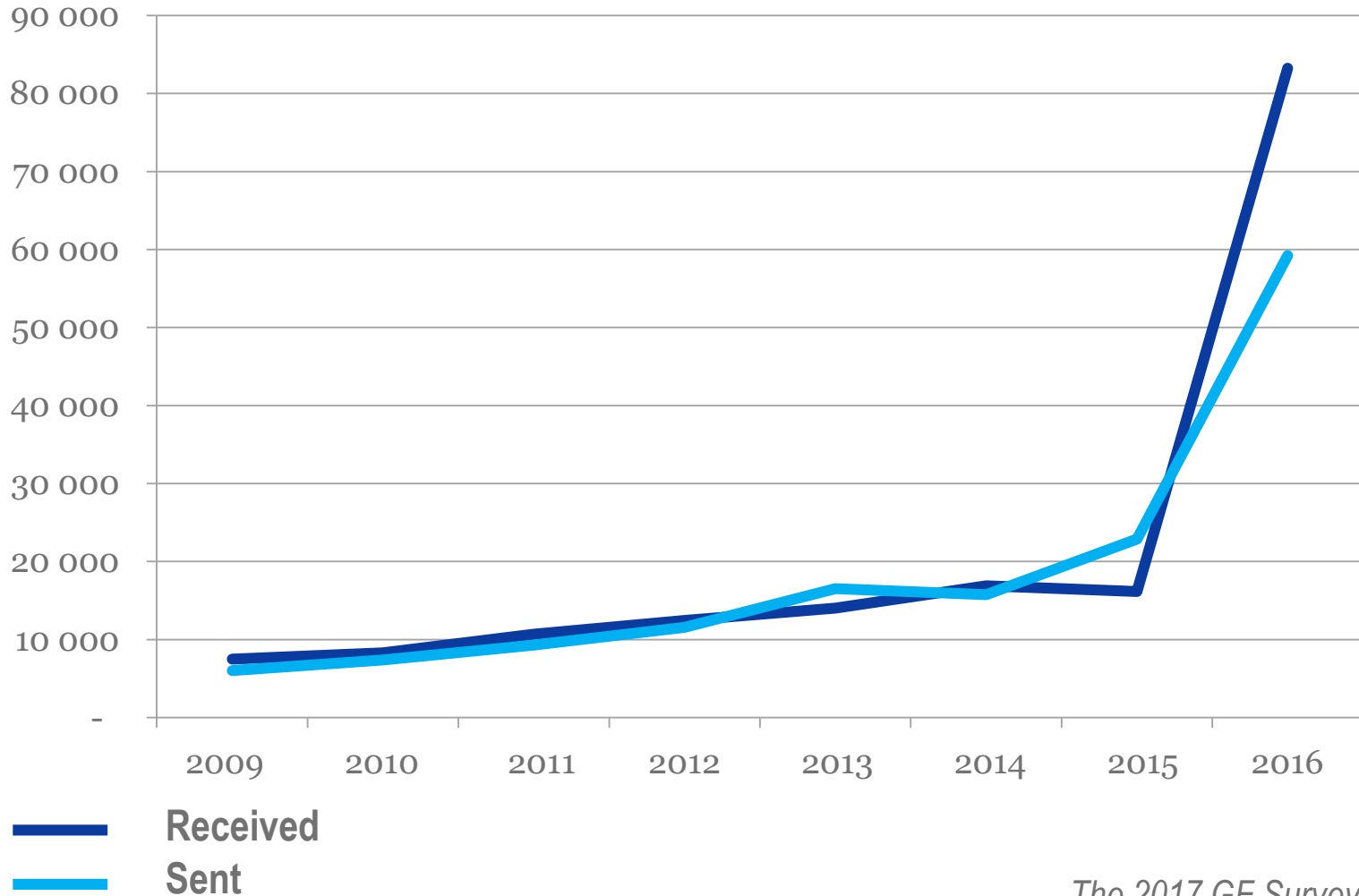


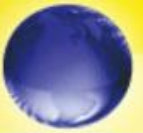
During the 1st round of EOIR reviews,

70 jurisdictions eliminated strict bank secrecy for EOI purposes



EOIR: No of requests



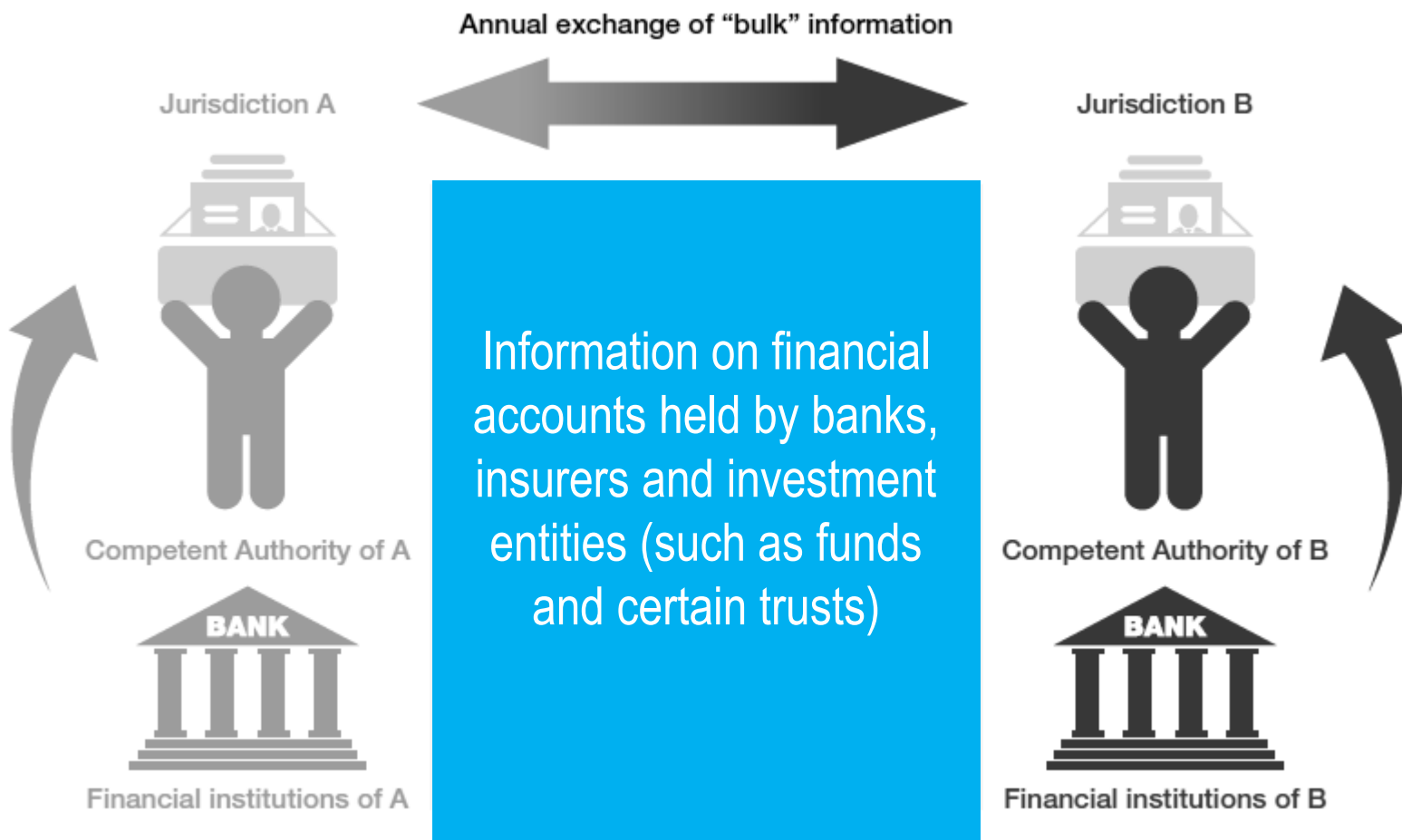


Part II

THE 2013 STEP UP



The AEOI Standard





The Status of AEOI Commitments

Ove 150 members, including all IFCs,
have endorsed the standard and 107 of them committed to a specific date

JURISDICTIONS UNDERTAKING FIRST EXCHANGES IN 2017 (49)

Anguilla, Argentina, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Cyprus**, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Montserrat, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Turks and Caicos Islands, United Kingdom

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2018 (52)

Andorra, Antigua and Barbuda, Aruba, Australia, Austria, Azerbaijan**, The Bahamas, Bahrain, Barbados, Belize, Brazil, Brunei Darussalam, Canada, Chile, China, Cook Islands, Costa Rica, Curacao, Dominica, Greenland, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Kuwait, Lebanon, Macau (China), Malaysia, Marshall Islands, Mauritius, Monaco, Nauru, New Zealand, Niue, Pakistan***, Panama, Qatar, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Trinidad and Tobago, Turkey, United Arab Emirates, Uruguay, Vanuatu

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2019/2020 (5)****

Albania (2020), Ghana (2019), Kazakhstan (2020), Maldives (2020), Nigeria (2019), Peru (2020)

* The United States has undertaken automatic information exchanges pursuant to FATCA from 2015 and entered into intergovernmental agreements (IGAs) with other jurisdictions to do so. The Model 1A IGAs entered into by the United States acknowledge the need for the United States to achieve equivalent levels of reciprocal automatic information exchange with partner jurisdictions. They also include a political commitment to pursue the adoption of regulations and to advocate and support relevant legislation to achieve such equivalent levels of reciprocal automatic exchange.

** Note by Turkey: The information in the documents with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue". Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in the documents relates to the area under the effective control of the Government of the Republic of Cyprus.

*** Developing countries that do not host a financial centre were not asked to commit to a specific date of first exchanges but these jurisdictions have done so.

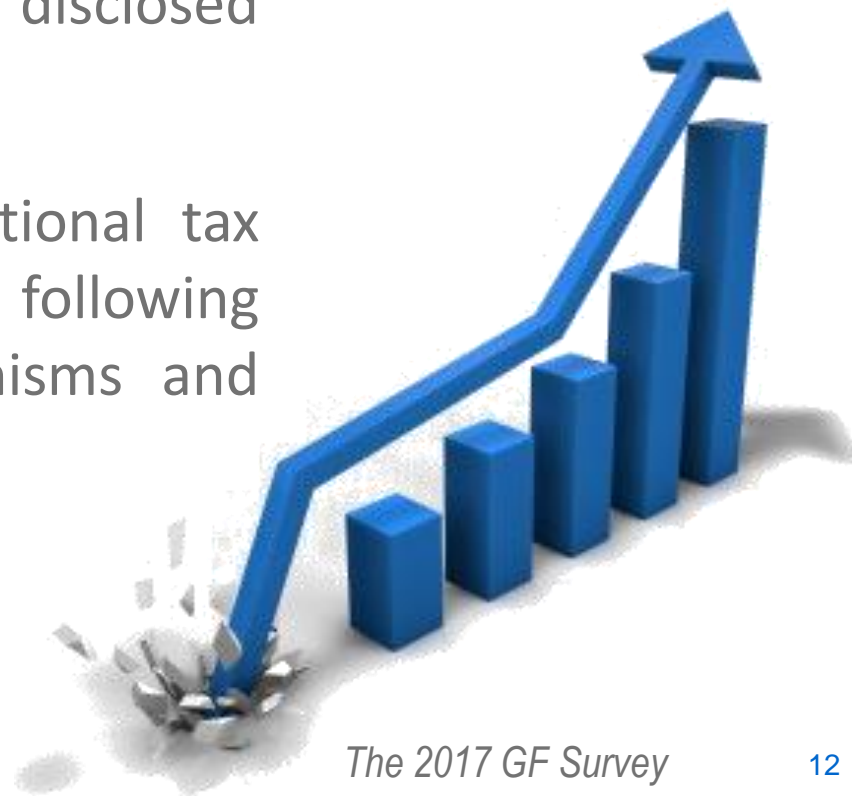
**** Developing countries that do not host a financial centre were not asked to commit to a specific date of first exchanges.



Boosting Tax Revenues

- Over **800,000** individuals disclosed offshore assets worldwide.
- Some **EUR 93 billion** in additional tax revenue has been collected following voluntary compliance mechanisms and offshore investigations.

Source: the FTA and GF Surveys





Part III

WHERE ARE WE NOW?



Continuing Public and Political Attention

- **Strong public attention due to tax leaks (e.g. Panama Leaks)**
- **The OECD/G20 listing**
 - Focuses on tax transparency.
 - The first list published in July 2017 (one jurisdiction listed).
 - Criteria updated in July 2018 – next one is expected in 2019.
- **The EU listing**
 - Includes similar tax transparency criteria.
 - Published in December 2017 and subsequently updated.
 - Work continues with further updates expected.