



Exchange of Information

Armando Lara Yaffar

Coordinator of the Subcommittee on Exchange of Information

**ECOSOC Special Meeting on International Cooperation in Tax Matters
New York, 9 December 2016**

<http://www.un.org/esa/ffd/events/event/ie-2016-ictm.html>

Exchange of Information

- Improved tax policies and administrations alone are not sufficient to secure increased tax revenues for investment in sustainable development
- Without adequate transparency and exchange of information mechanisms, even carefully designed tax laws will fail to raise additional domestic public resources
- It is critical to ensure that tax authorities have appropriate access to the information that they need for an efficient administration of tax laws

Addis Ababa Action Agenda

- Stress the importance of strengthening the mechanisms for exchange of information in tax matters
- Call upon countries to work together to adopt appropriate policies, including:
 - Automatic exchange of information among tax authorities, with support to developing countries in adopting this standard
 - Country-by-country reporting of financial and tax information by multinational enterprises to the tax authorities of the countries where they operate
 - Access to beneficial ownership information regarding entities and assets

Subcommittee on Exchange of Information

- Amend Article 26 and its Commentary for inclusion in the next update of the UN Model Double Taxation Convention
- Monitor and follow up with international developments in the area of exchange of Information (including meetings of the Global Forum on Transparency and Exchange of Information for Tax Purposes)

Article 26 of the UN Model Double Taxation Convention and Commentary

- Article 26 (2) amended to allow tax authorities to share information with other law enforcement agencies and judicial authorities under certain conditions
- Further clarification provided in the Commentary on the meaning of “foreseeably relevant” request of information
- Guidance included in the Commentary on requests regarding groups of taxpayers
- Guidance also included on so-called “fishing expeditions”
- Optional language provided in the Commentary for countries wishing to improve the speed and timeliness of exchange of information

Code of Conduct on Cooperation in Combating International Tax Evasion

- The Code of Conduct has two main objectives:
 - Ensure that high levels of transparency and exchange of information are adhered to, including automatic exchange of information, with a view to combating international tax evasion and protecting the tax base from non-compliance with tax laws
 - Assist in the development of international norms, practical steps and building capacity programmes

Code of Conduct on Cooperation in Combating International Tax Evasion

- Endorse the work carried out on automatic exchange of financial account information, including the Standard for Automatic Exchange of Financial Account Information in Tax Matters (“Common Reporting Standard”)
- Encourage all countries that have not already done so to consider becoming a party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters
- Recognize the need for multi-stakeholder cooperation in order to help developing countries to identify and address their needs for capacity building and technical assistance on automatic exchange of information