



**INTERNATIONAL EXPERIENCES
IN TACKLING ILLICIT FINANCIAL FLOWS:
THE GLOBAL FORUM'S PERSPECTIVE**

**Panel “Promotion of international cooperation
to combat illicit financial flows to foster sustainable development”**

**Economic and Social Council
Special Meeting on International Cooperation in Tax Matters
(ECOSOC Chamber, 7 April 2017)**



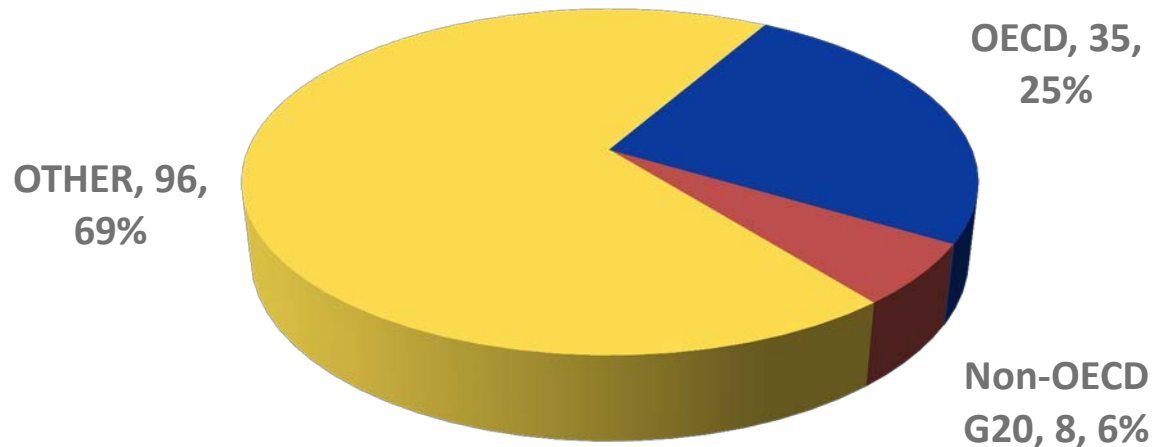
IFFs & tax evasion

1. Tax evasion **most common source** – capital/assets transferred out of a country in breach of national/ international laws to avoid taxes
2. **Transparency** key to efforts to arrest IFFs
3. Exchange of Information (EOI)- a **critical tool** for fighting cross-border tax evasion:
 - Strengthens capacity of tax institutions and systems to prevent tax evasion and to investigate / detect / prosecute tax offences
 - Empowers tax authorities by upgrading their tools to fit increasingly interconnected economies



Inclusive approach

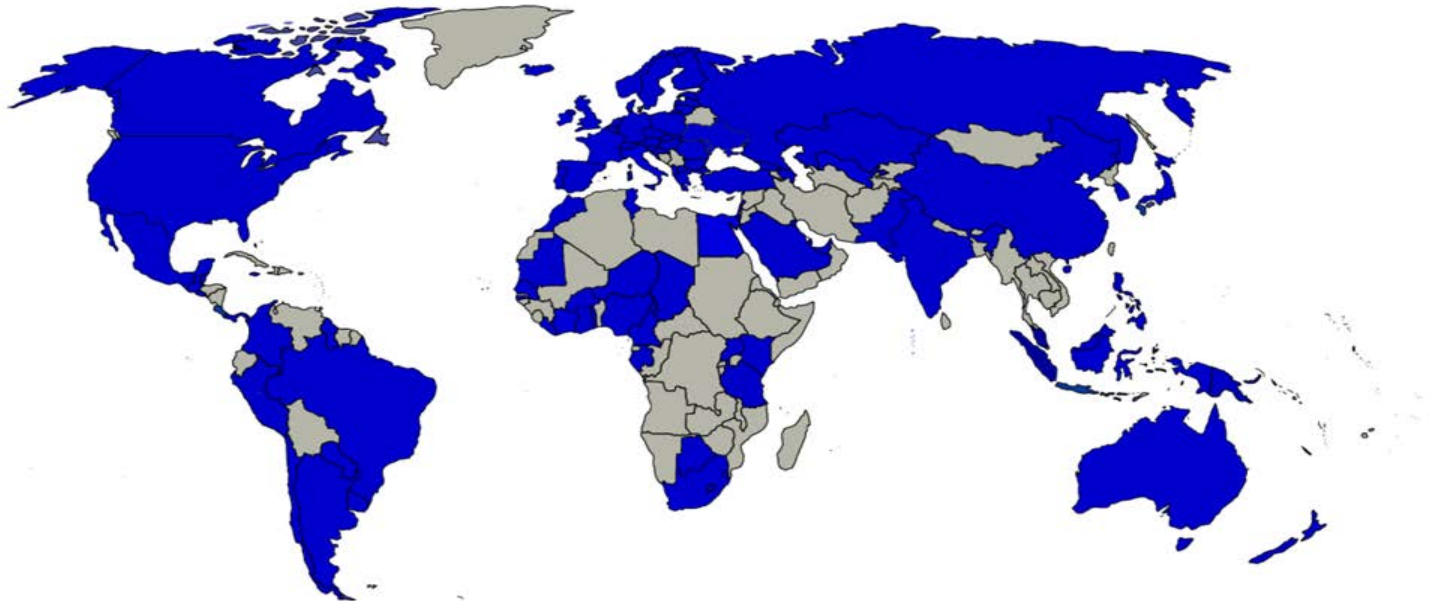
- **139 members:** 8 new jurisdictions in 2016 (Chad, Egypt, Guyana, Kuwait, Lebanon, Maldives, Moldova, Paraguay and Togo), 2 in 2017 (Faroe Islands and Thailand) . In the pipeline- Ecuador and Benin
- **Of which:**





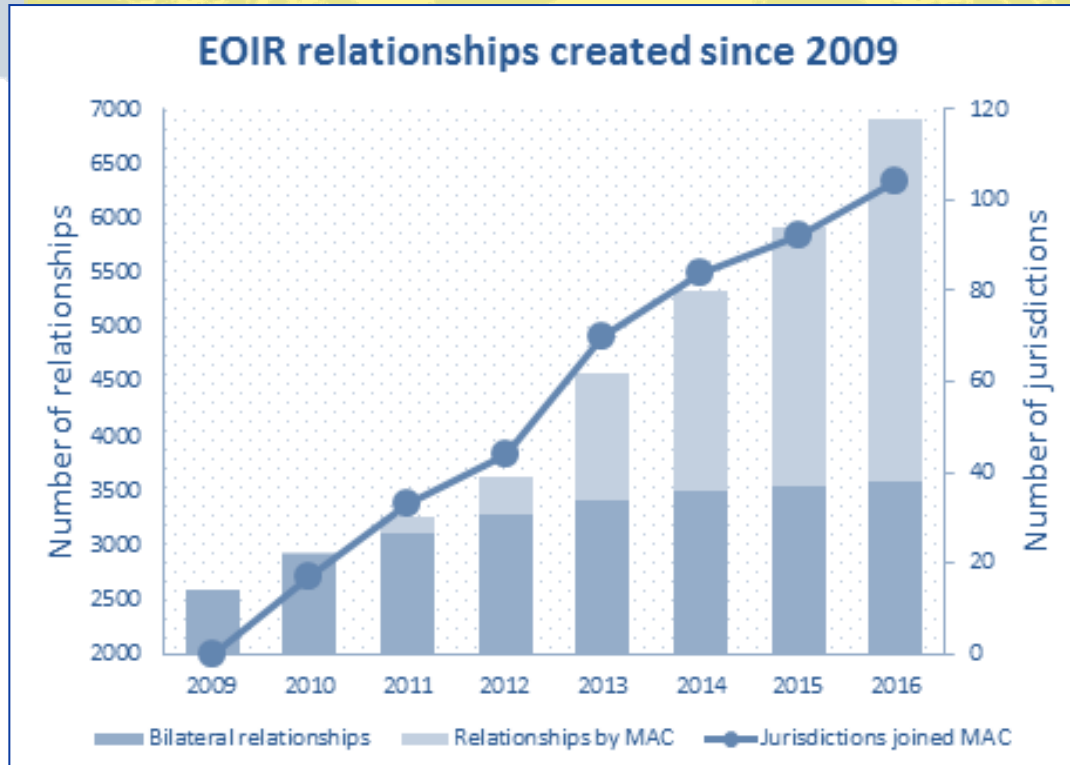
Exchange of Information on request (EOIR)

- All **139** members committed to EOIR standard - **undergo a peer review**
- Provides -exchange on request of foreseeably relevant information for carrying out the provisions of a tax convention or for the administration or enforcement of the domestic tax laws of a requesting party





EOIR: Growing scale

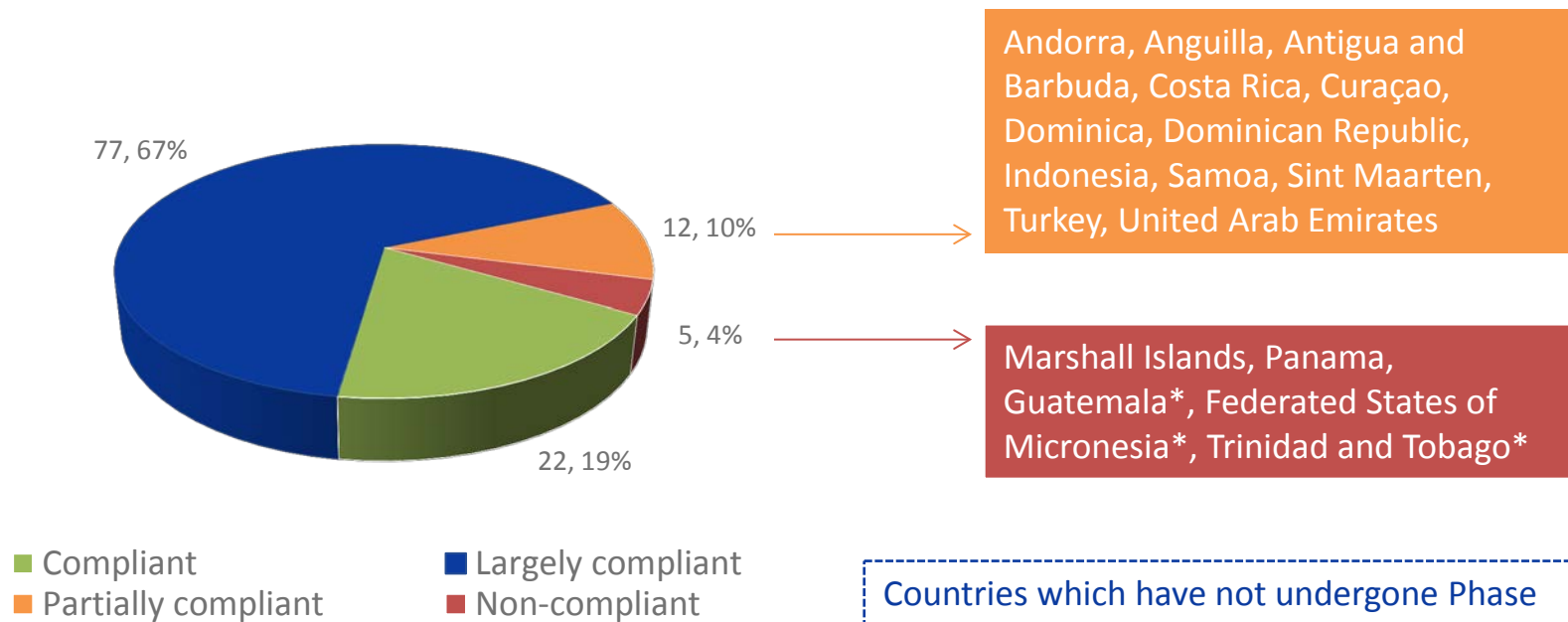


The number of new EOIR relationships has increased by **around 4500 (or 280%) since 2009**



EOIR: State of Play

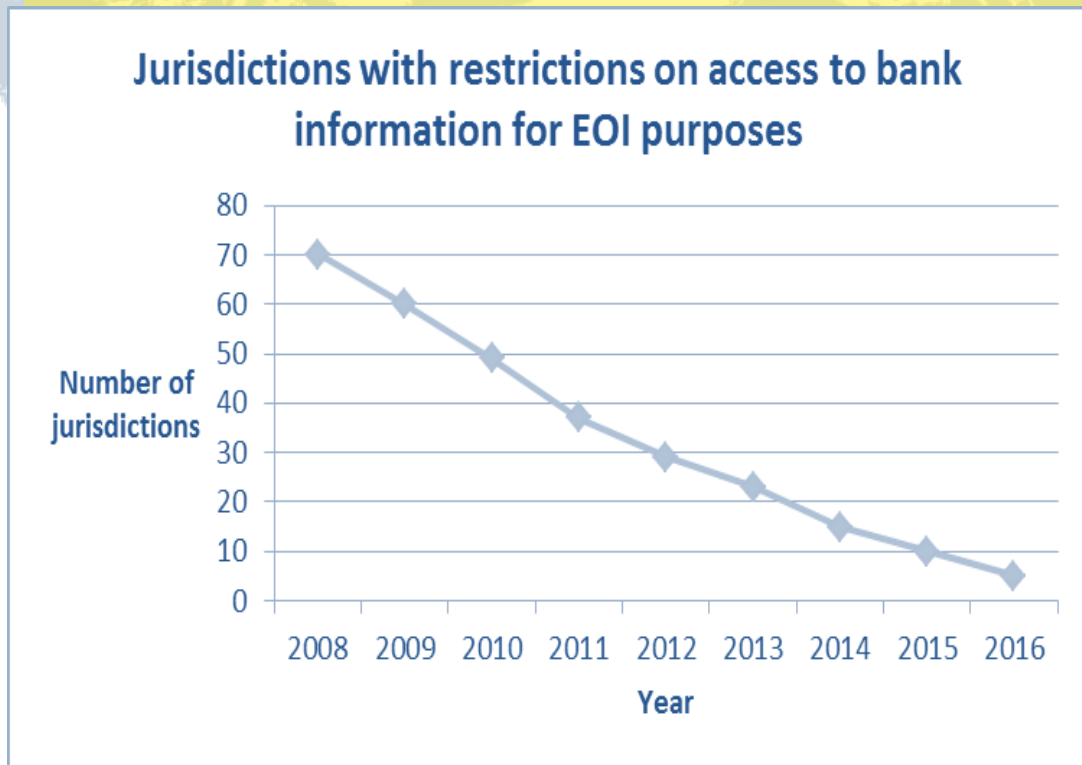
- First round of peer reviews finalised (2009-16) and the final reports published
- In total, **116 compliance rankings** assigned



Countries which have not undergone Phase 2 as stuck in Phase 1 for a long time:
Lebanon, Nauru, Vanuatu, Liberia



EOIR: Impact (selected case study)



During the 1st round of EOIR reviews, **65 jurisdictions** eliminated strict bank secrecy for EOI purposes



EOIR: New round of reviews

- Launched in 2016 to assess strengthened terms of reference which now includes
 - (i) legal & beneficial ownership, and
 - (ii) group requests
- 21 reviews are underway
- First results expected in August 2017

Launch Year 2016	Launch Year 2017
Australia	Belgium
Bermuda	France
Canada	Ghana
Cayman Islands	Isle of Man
Ireland	Italy
Jamaica	Monaco
Jersey	The Bahamas
Mauritius	
Norway	
Qatar	
Germany	
India	
Curacao	
Denmark	



AEOI: Commitments

- **100** jurisdictions committed to implement the AEOI standard by 2018
- **The AEOI** requires jurisdictions obtain the financial account information from their banks and FIs and automatically exchange it with other jurisdictions on an annual basis

2017: 53 jurisdictions

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

2018: 47 jurisdictions

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



AEOI: Ensuring Full Implementation

I. Confidentiality and data safeguards

II. Domestic legislative frameworks

III. Network of Agreements with all interested appropriate partners

IV. IT infrastructure for Transmission of Information

V. Encouraging developing countries – Pilot projects, awareness building, and capacity building support



Work on Beneficial Ownership

- Critical for tackling IFFs
- Integrated both in the EOIR and AEOI work streams





Technical Assistance

- Allows countries with more limited capacities/resources to participate in and benefit from international cooperation – creates a level playing field
- Carried out in close cooperation with development agencies and other international organisations (e.g. ATAF, ADB, IADB, CIAT, WBG)

I. EOIR

- Implementing the standard and preparing for peer reviews
- Awareness and capacity Building of Auditors to benefit from EOIR

II. AEOI

- Advice and capacity building in all aspects of implementation
- AEOI pilots and mentoring

III. Other targeted initiatives

- Induction for new members
- Regional initiatives
- Beneficial Ownership work

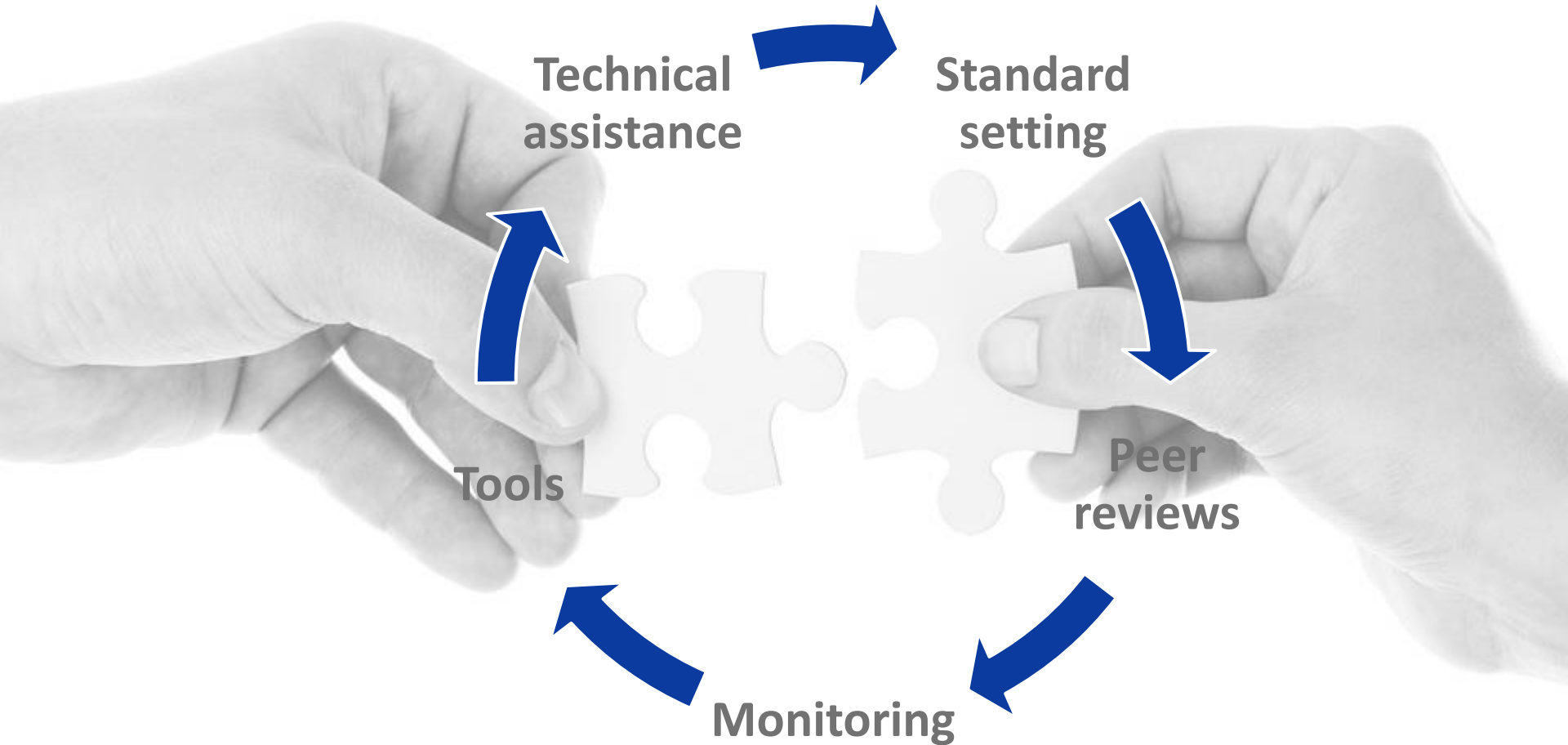


Technical Assistance: the Africa Initiative

- One of the regional programs covering LAC region, Asia-Pacific and Africa
- Africa Initiative supports effective use of EOI in African countries
- Eight leading participants (Burkina Faso, Cameroon, Gabon, Ghana, Kenya, Morocco, Nigeria and Uganda) have made great progress in meeting set targets, one of which is to increase domestic tax revenues
- Uganda raised \$9 Million in revenue from only its first set of requests
- The initial programme ran in 2015-2017. To be extended for a new three year period (2018-2020) with a specific focus on AEOI and BO



Putting it all together





Thank You

Welcome to the Exchange of Tax Information Portal. Home Library Key documents... Select a jurisdiction OECD

The Exchange of Tax Information Portal is an initiative of the Global Forum on Transparency and Exchange of Information for Tax Purposes. The Global Forum conducts peer reviews of its member jurisdictions' ability to cooperate with other tax administrations in accordance with the internationally agreed standard. The standard provides for exchange of information on request where it is foreseeably relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction. Effective exchange of information requires that jurisdictions ensure information is available, that it can be obtained by the tax authorities and that there are mechanisms in place allowing for the exchange of that information. The Global Forum's peer review process examines both the legal and regulatory aspects of exchange (Phase 1 reviews) and the exchange of information in practice (Phase 2). The EOI Portal will track the development of these peer reviews, including changes that jurisdictions make in response to the Global Forum's recommendations.

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Legend:
■ Global Forum member
■ agreement meets international standard
■ agreement not yet reviewed

This map is for illustrative purposes and is without prejudice to the status of or sovereignty over any territory covered by this map.

Secretariat to the Global Forum
Email:

gftaxcooperation@oecd.org

Ph: +33 (0)1 4524 9726

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