

Global Forum on Transparency and Exchange of Information for Tax Purposes

Tax Transparency 2011: Report on Progress

NOTE TO READER

The core of this publication, Tax Transparency 2011: Report on Progress, is made up of the report provided to the G20 Leaders on the occasion of their November 2011 Cannes Summit. Readers can find the report in its entirety in Part II of this publication, beginning on page 23.

TABLE OF CONTENTS

INTRODUCTION	5
MESSAGE FROM THE CHAIR	7
PART I. WHO WE ARE / WHAT WE DO	9
PART II. THE PROGRESS REPORT TO THE G20: PROGRESS OF THE PEER REVIEWS	23
PART III. REPORT TO THE G20: WORKING WITH DEVELOPING COUNTRIES	59
ANNEXES	81

INTRODUCTION

In 2006 the Global Forum published a review of the legal and administrative frameworks in the areas of transparency and exchange of information for tax purposes covering 82 jurisdictions, entitled *Tax Co-operation: Towards a Level Playing Field – 2006 Assessment by the Global Forum on Taxation*. This publication was followed by four annual assessments, with the 2010 publication covering 93 jurisdictions.



Following the restructuring of the Global Forum, a program of in-depth peer reviews was launched in 2010. This *2011 Report on Progress* publication describes the progress made since the Global Forum launched its peer review mechanism in 2010.

To date, 59 Phase 1 and Combined reports have been published complemented by seven supplementary reports covering more than half of the Global Forum members. All peer review reports can be accessed through the EOI Portal: www.eoi-tax.org. The EOI Portal contains all the latest information on the Global Forum member jurisdictions, including information on the peer reviews and any recommendations for improvements made, news on what actions have been taken to address deficiencies and comprehensive information on jurisdictions' exchange of information agreements.

The Global Forum reported the findings of the peer review reports to the G20 Leaders at their Cannes Summit on 3-4 November 2011 and, in particular, the quality of cooperation with the Global Forum, the level of compliance and the unresolved deficiencies. The Progress Report to the G20 is presented in Part II of this publication after a brief introduction of the Global Forum and its Secretariat (Part I). In addition, Part III includes the report that the G20 also asked for in the context of the G20 Multi-Year Action Plan on Development. Finally, this *2011 Report on Progress* includes the statements of outcomes of the two Global Forum meetings held in 2011 (in Bermuda and France).

MESSAGE FROM THE CHAIR



‘Towards a level playing field’ truly catches the spirit of the Global Forum’s work in 2011. The new Global Forum, with all members on an equal footing, has been working at an amazing speed to ensure a high level of transparency and tax cooperation in accordance with the internationally agreed standard on transparency and exchange of information for tax purposes.

2011 Achievements

The Global Forum met twice in 2011, in Bermuda in May and in Paris in October. Since the start of the peer reviews in 2010 the Global Forum has delivered the adoption and publication of reports on 59 jurisdictions, covering more than half of the current Global Forum members. Producing reports is not the Global Forum’s only achievement. The Global Forum is producing real change as many of these jurisdictions have already reported on action taken following their assessment. Where changes in legislation are significant, a supplementary report is launched to reflect the progress made. Indeed, the Global Forum has adopted seven supplementary reports. This clearly shows that the peer review process is having an impact and is successful in enhancing Global Forum member compliance with the internationally agreed standard.

Change can also be measured by the growth in the number of information exchange agreements including multilateral conventions, and Tax Information Exchange Agreements as well as double tax conventions that jurisdictions have signed. The number of agreements in place that meet the international standard has increased by more than 700 since the G20 put a spotlight on the issue of transparency and international tax cooperation in 2009. These agreements are starting to yield real results as mechanisms for the proper enforcement of tax laws. This is a concrete result of our work and one which will be of enduring benefit.

In the past year Global Forum membership has increased with ten more jurisdictions joining, resulting in the total membership passing the 100-mark to reach 105. This continuing expansion is important to ensure a global level playing field where all jurisdictions can benefit equally from being a Global Forum member. Also, the Global Forum reviews all relevant jurisdictions ensuring that no one jurisdiction can benefit from not being a member by offering a non-transparent environment. We are actively establishing contacts with jurisdictions around the world, particularly in Africa and central Asia.

The Global Forum reaches out to existing and potential members so they can benefit from assistance in preparing for their peer reviews and in improving their legal framework and

practice in respect of transparency and tax information exchange. Regional seminars in the Pacific, the Caribbean and in Africa were held to make jurisdictions aware of the work of the Global Forum and to start mapping the needs for assistance in the area of tax transparency. Such assistance is primarily targeted to developing countries to ensure they have the opportunity to benefit from the new transparent environment. For developing countries, increased transparency can help safeguard domestic tax revenues just as much as it can be of assistance to foreign tax authorities.



Pascal Saint-Amans, Head of the Global Forum Secretariat, Mike Rawstron, Chair of the Global Forum and Jeffrey Owens, Director of the OECD Centre for Tax Policy and Administration, Singapore on 30 September 2010

Since the beginning of 2008, counteracting tax evasion and the implementation of high standards of transparency and exchange of information have been high on the international political agenda. In particular, the G20 has supported the Global Forum's work and asked for two reports to be submitted to the Cannes Summit in November 2011. These reports, both included in this publication, together address the key achievements of the Global Forum.

2012 Challenges

The work of the Global Forum has already contributed greatly to increased transparency and tax cooperation, but the future will bring new challenges. Most reviews adopted to date are Phase 1 reviews, assessing the legal and regulatory framework against the standard. In 2012 a series of Phase 2 reviews, assessing the practical implementation of that framework, will commence. These will be the real test for the new transparent environment: is the information available and accessible by the authorities in practice, and is that information actually exchanged in a timely manner?

Concluding remarks

The Global Forum has found a rhythm of work resulting in the publication of many reports. Its efforts will ensure that all jurisdictions benefit from the new transparent environment. The key is to maintain focus and build on the momentum that has been carefully built up over many years. By working together Global Forum members will ensure that we are well on our way 'towards a level playing field'. ■

Mike Rawstron, Chair of the Global Forum

PART I

WHO WE ARE / WHAT WE DO

WHO WE ARE

The original Global Forum was initially established in 2001 by OECD member countries and certain participating partners and has been a driving force behind the development of international standard of transparency and exchange of information for tax purposes.



**Moses Lee from Singapore,
Nicola Bonucci (back
benching) from the OECD and
Mike Rawstron from Australia
30 September 2010, Singapore**

The Global Forum now includes 105 member jurisdictions and the European Union, together with 9 observers, making it the largest tax group in the world (a list of all member jurisdictions and observers can be found in Annex III to the “Progress report to the G20”). Membership of the Global Forum is open to all jurisdictions willing to: (i) commit to implement the international standard on transparency and exchange of information, (ii) participate and contribute to the peer review process, and (iii) contribute to the budget. At the start of the restructured Global Forum all OECD countries, G20 economies and jurisdictions participating to the existing Global Forum were invited to become members.

The Global Forum meeting in Mexico on 1 and 2 September 2009, attended by delegates from more than 70 jurisdictions and international organisations, was a turning point for global progress to improve transparency and exchange of information for tax purposes. In response to the G20 Leaders’ call for jurisdictions to adopt high standards of transparency and information exchange in tax matters, it was agreed to restructure the Global Forum as a consensus-based organisation where all members are on an equal footing serviced by a self standing dedicated secretariat based in the OECD’s Centre for Tax Policy and Administration. Under the framework of the ambitious agenda for improving the transparency and exchange of information for tax purposes, the Global Forum agreed a three-year mandate to promote the rapid implementation of the standard through the peer review of all its members and other jurisdictions relevant to its work.



**Global Forum Meeting, Mexico,
1-2 September 2009**

Specifically, Global Forum members agreed to:

- An initial **3-year mandate** to create a strengthened Global Forum to promote rapid and consistent implementation of the standards through a robust and comprehensive peer review process.
- Conduct a two-**phase peer review** of each jurisdiction's legal and regulatory framework (Phase 1) and practical implementation (Phase 2) of the standards on transparency and the exchange of information for tax purposes.
- Establish **in-depth ongoing monitoring of legal instruments** which allow for exchange of information.
- Create a **Peer Review Group**, made up of 30 Global Forum members, to oversee the process.



François d'Aubert, Chair of the PRG and Pascal Saint-Amans, Head of the Global Forum Secretariat

The restructured Global Forum was formally established as a Part II program of the OECD by the OECD Council on 17 September 2009. This means that, while benefitting from the OECD's infrastructure, the Global Forum's budget is entirely financed by members. For the year 2011, a budget of EUR 3.1 million is met by its member's contributions determined by a formula based on a combination of a fixed fee of EUR 15 100 per member and a progressive fee determined by a scale in accordance with jurisdictions' Gross National Product.

The Global Forum works under the overall guidance of a Steering Group made up of 18¹ members representing a cross-section of the Global Forum's diverse membership. The Steering Group is chaired by Mr. Mike Rawstron from Australia, assisted by three vice-chairs (China, Germany and Bermuda). The full membership of the Steering Group is:

Australia (Chair)	Bermuda (Vice-Chair)	Brazil
Cayman Islands	China (Vice-Chair)	Germany (Vice-Chair)
France	India	Japan
Jersey	Kenya	Singapore
South Africa	Spain	Switzerland
United Arab Emirates	United Kingdom	United States

All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, will undergo reviews of their legal and regulatory framework for the

¹ Kenya, Spain and United Arab Emirates will serve on the Steering Group from 2012.

exchange of information in tax matters and the implementation of the standard in practice. The peer review process is overseen by the 30 member Peer Review Group (PRG), which is chaired by Mr. François d'Aubert from France, assisted by four vice-chairs (India, Japan, Singapore and Jersey). The peer reviews are based on the 4 key documents developed by the PRG and adopted by the Global Forum.

The full membership of the PRG is:

Argentina	Australia	Brazil	British Virgin Islands	Cayman Islands	China
Denmark	France (Chair)	Germany	India (Vice-Chair)	Ireland	Isle of Man
Italy	Japan (Vice-Chair)	Jersey (Vice-Chair)	Korea	Luxembourg	Malaysia
Malta	Mauritius	Mexico	Samoa	Singapore (Vice-Chair)	South Africa
St. Kitts and Nevis	Switzerland	The Bahamas	The Netherlands	United Kingdom	United States



Meetings of the Peer Review Group

WHAT WE DO: PEER REVIEW PROCESS



The Global Forum's main output is the peer reviews of its member and non member jurisdictions. To date, the Global Forum has completed 59 reviews and many more are in progress.

The peer reviews take place in two phases. Phase 1 reviews examine the legal and regulatory framework for transparency and the exchange of information for tax purposes. Phase 2 reviews look into the implementation of the standard in practice. Combined reviews evaluate both the legal and regulatory framework (Phase 1) and the implementation of the standard in practice (Phase 2).

Prior to launching the first set of reviews on 1 March 2010, the Global Forum adopted the following key documents:

- The **Terms of Reference** which sets out 10 key elements against which jurisdictions' legal and regulatory framework and actual implementation of the standards are assessed. These cover three aspects forming the backbone of effective exchange of information: availability of information, access to information and availability of mechanism for exchange of information (the Terms of Reference are set out in Annex III to the "Progress report to the G20").
- **Peer reviews** are conducted in accordance with the *Methodology for Peer Reviews and Reviews of Non-Members*. The peer reviews are undertaken by assessment teams which prepare a report on the reviewed jurisdiction. Assessment teams normally consist of two expert assessors who act in an independent capacity. For the first 59 reviews 90 assessors from 40 countries have been appointed. One member of the Global Forum Secretariat is also appointed to coordinate each review.
- The **Assessment Criteria** establish the possible determinations to be attached to each element. For Phase 2 and Combined reviews ratings will be assigned once a representative subset of jurisdictions has been reviewed, in order to ensure that application of the ratings system is consistent across jurisdictions.
- The **Schedule of Reviews** determines when the peer reviews take place (the Schedule of Reviews is set out in Annex V to the "Progress report to the G20").

The key documents are publicly available and have been gathered in a “Handbook for Assessors and Jurisdictions”. Assessors and jurisdictions are also prepared for the peer reviews through assessor trainings and regional seminars.

After being prepared by the assessment team, the peer review reports are discussed by the Peer Review Group before being adopted by the Plenary. In 2010, the PRG met twice (in the Bahamas and Paris) and in 2011 it met 4 times (three meetings in Paris and one in the Cayman Islands).



Meeting of the Peer Review Group on 19-21 September 2011 in Paris

59 Peer Reviews completed by November 2011



Global Forum Peer Reviews published in 2010 and 2011

Andorra 2011, Phase 1	France 2011, Phases 1 & 2	Monaco 2010, Phase 1
Anguilla 2011, Phase 1	Germany 2011, Phases 1 & 2	Netherlands 2011, Phases 1 & 2
Antigua and Barbuda 2011, Phase 1	Ghana 2011, Phase 1	New Zealand 2011, Phases 1 & 2
Aruba 2011, Phase 1	Gibraltar 2011, Phase 1	Norway 2011, Phases 1 & 2
Australia 2011, Phases 1 & 2	Guernsey 2011, Phase 1	Panama 2010, Phase 1
Austria 2011, Phase 1	Hong Kong, China 2011, Phase 1	Philippines 2011, Phase 1
Bahamas 2011, Phase 1	Hungary 2011, Phase 1	Qatar 2010, Phase 1
Bahrain 2011, Phase 1	India 2010, Phase 1	San Marino 2011, Phase 1
Barbados 2011, Phase 1	Indonesia 2011, Phase 1	Saint Kitts and Nevis 2011, Phase 1
Belgium 2011, Phase 1	Ireland 2011, Phases 1 & 2	Seychelles 2011, Phase 1
Bermuda 2010, Phase 1	Italy 2011, Phases 1 & 2	Singapore 2011, Phase 1
Botswana 2010, Phase 1	Isle of Man 2011, Phases 1 & 2	Spain 2011, Phases 1 & 2
British Virgin Islands 2011, Phase 1	Jamaica 2011, Phase 1	Switzerland 2011, Phase 1
Brunei 2011, Phase 1	Japan 2011, Phases 1 & 2	Trinidad and Tobago 2011, Phase 1
Canada 2011, Phases 1 & 2	Jersey 2011, Phases 1 & 2	Turks and Caicos Islands 2011, Phase 1
Cayman Islands 2010, Phase 1	Liechtenstein 2011, Phase 1	United Kingdom 2011, Phases 1 & 2
Curaçao 2011, Phase 1	Luxembourg 2011, Phase 1	United States 2011, Phases 1 & 2
Denmark 2011, Phases 1 & 2	Macao, China 2011, Phase 1	Uruguay 2011, Phase 1
Estonia 2011, Phase 1	Malaysia 2011, Phase 1	Vanuatu 2011, Phase 1
Former Yugoslav Republic of Macedonia 2011, Phase 1	Mauritius 2011, Phases 1 & 2	

ASSESSOR TRAINING AND REGIONAL SEMINARS

Through an inclusive and interactive approach, Assessor Training and Regional Seminars are educational initiatives through which the Global Forum engages with its stakeholders and



Assessors Training Seminar on 4-6 July 2011 in Jersey

contributes to spreading awareness of the international standard of transparency and exchange of information. To support the peer review process, the Global Forum Secretariat organises training sessions for officials willing to become assessors, while Regional Seminars aim at ensuring that jurisdictions which are to be reviewed receive adequate preparation so as to extract maximum benefit from the review process.

Assessor Training

On an on-going basis, the Global Forum Secretariat provides courses for administrative officials of member jurisdictions to train them in preparation of acting as an assessor in the peer review process. Under the supervision of administrators from the Global Forum Secretariat and of senior assessors drawn from diverse backgrounds, the training cover a variety of topics including a detailed analysis of the Terms of Reference and the essential elements on which a jurisdiction is assessed, the role and responsibilities of assessors as well as how to apply the Assessment Criteria. Along with a number of presentations, the seminars provide strong emphasis to group discussions of practical examples that an assessor may be faced with when conducting a review. Besides preparing them for acting as an assessor, the training also engages the participants in sharing their experiences and building up a global community of tax experts.

In 2010 and 2011, the Global Forum Secretariat organised three Assessor Training Seminars at which 97 assessors from 43 jurisdictions received training in the assessment methodology.

When	Location
March 2010	Paris, France
October 2010	Commonwealth Secretariat, London, United Kingdom
July 2011	Jersey

The Regional Seminars

At its Singapore meeting in September 2010, the Global Forum agreed that it should coordinate technical assistance to improve transparency and effective exchange of information. Seminars are organised on a regional scale by the Global Forum Secretariat together with other international organisations and Global Forum members. Through a mixture of presentations, case studies and group exercises, these seminars aim to help jurisdictions understand what is



Peer Review Seminar on 15-17 March 2011 in Canberra, Australia

required to prepare for a peer review, assess implications for them of complying with the international standard as well as learning more about sources and types of assistance available to implement the standard. In addition, these seminars provide an opportunity for jurisdictions to identify their needs for assistance on improving transparency and exchange of information, which allows the Secretariat and relevant organisations to quickly coordinate their action accordingly. These seminars enable the participating jurisdictions to conduct self-assessment

of their legal and regulatory framework concerning effective exchange of information and some jurisdictions have indeed changed their laws to make them consistent with the international standard. Further, seminars have helped in developing better communication between member jurisdictions and the Global Forum Secretariat which has tremendously helped in conducting comprehensive and fair reviews within the tight timelines provided in the methodology.

In an initiative born in 2011, the Global Forum Secretariat organised three Regional Seminars this year supported by 8 countries and 6 international organisations: 66 jurisdictions took part, with more than 100 participants.

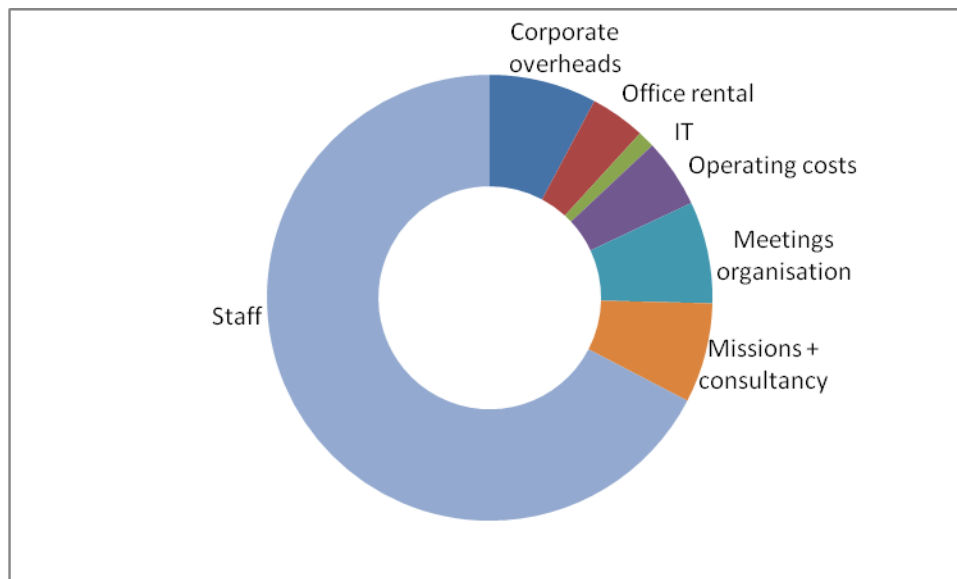
When	Location
February 2011	Montego Bay, Jamaica
March 2011	Canberra, Australia
June 2011	Durban, South Africa

THE GLOBAL FORUM SECRETARIAT

A self-standing dedicated Secretariat

The Global Forum secretariat is based in the OECD Centre for Tax Policy and Administration. The initial core team of three people has now been expanded to a full Secretariat of 26 staff members with diverse national backgrounds and experience. This includes three secondees kindly provided by Global Forum members, respectively Japan, the Netherlands and Singapore.

The reviews and the ongoing monitoring of the members and non member jurisdictions are shared between two units made up of administrators who combine together a mixture of tax expertise and peer review experience. The support staff prepares all the missions and organises the meetings. As the Global Forum is self-funded, the EUR 3.1 million budget is directly managed by a Global Forum administrative officer.



The Global Forum Secretariat brings together staff from 16 different national backgrounds who speak 14 different languages: Danish, Dutch, English, French, German, Hindi, Italian, Japanese, Mandarin, Norwegian, Portuguese, Russian, Spanish and Swedish. The Global Forum Secretariat is gender balanced as it includes 13 men and 13 women.

The OECD Council decision formally establishing the Global Forum exceptionally provides for nationals of non OECD member countries to be able to join the Global Forum Secretariat. In 2010 a citizen of India joined the Secretariat, followed by new administrators from Brazil and Singapore. In 2011 the diversity of the Secretariat increased with new members from Brazil, China and Russia. Nationals of all Global Forum member jurisdictions are welcome to apply for jobs when advertised or to be seconded to the Global Forum Secretariat.

Below is the organisation structure of the Global Forum, based in the OECD's Centre for Tax Policy and Administration (CTPA).

Pascal SAINT-AMANS, Head of the Global Forum Secretariat Dónal GODFREY, Deputy Head of the Global Forum Secretariat Brendan McCORMACK, Senior Advisor Francesco POSITANO, Junior Consultant Michele KELLY, Programme Co-ordinator	
Marie-Françoise FABRE, Administrative Officer Jeremy MADDISON, Communications Officer	
Review Unit 1	Review Unit 2
Andrew AUERBACH, Head of Unit	Rachelle BOYLE, Head of Unit
Anna TCHOUB, Project Assistant	Lucy CAIRNEY, Project Assistant
Renata FONTANA, Administrator	Stewart BRANT, Administrator
Shinji KITADAI, Administrator	Guozhi FOO, Administrator
Gwenaëlle LE COUSTUMER, Administrator	Beat GISLER, Administrator
Caroline MALCOLM, Administrator	Sanjeev SHARMA, Administrator
Amy O'DONNELL, Administrator	Renata TEIXEIRA, Administrator
Mikkel THUNNISSEN, Administrator	Rémi VERNEAU, Administrator
Francisca VILLAMAN, Administrator	Francesca VITALE, Administrator
Ting YANG, Administrator	



Global Forum offices are in the Delta Building, South of Paris

Photos: OECD/Benjamin Renout

COMMUNICATION



Transparency being the core of the Global Forum activity, communication tools have been developed which ensure that both member jurisdictions and the public have as wide and immediate access as possible to the Global Forum work, while respecting the confidentiality inherent in the assessment process itself. These include a dynamic, interactive secure website for Global Forum members as well as a public

website (<http://www.oecd.org/tax/transparency>), which is one of the most visited sites hosted by the OECD.

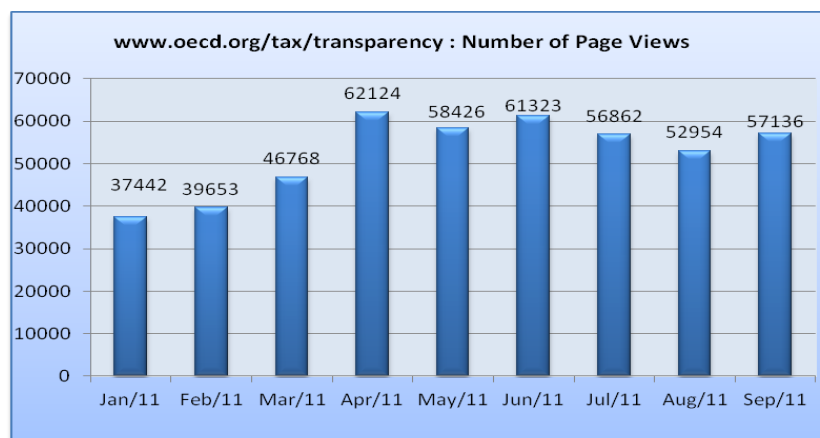
Since December 2009 the Global Forum website has been the key instrument to communicate on the Global Forum work www.oecd.org/tax/transparency. It is now also available in French at www.oecd.org/fiscalite/transparence.

The website is a unique source of information on the work of the Global Forum with more than 700 documents and publications. It also includes background information, frequently asked questions, a calendar of events as well as video interviews on the work of the Global Forum.

The peer review reports, once adopted, are posted on the website and can be consulted.

News releases published on the home page highlights developments in the member jurisdictions.

With almost 60,000 pages viewed every month, the Global Forum is one of the most popular websites hosted by the OECD.



THE EOI PORTAL

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 co-operate 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 jurisdiction's make in response to the Global Forum's recommendations.

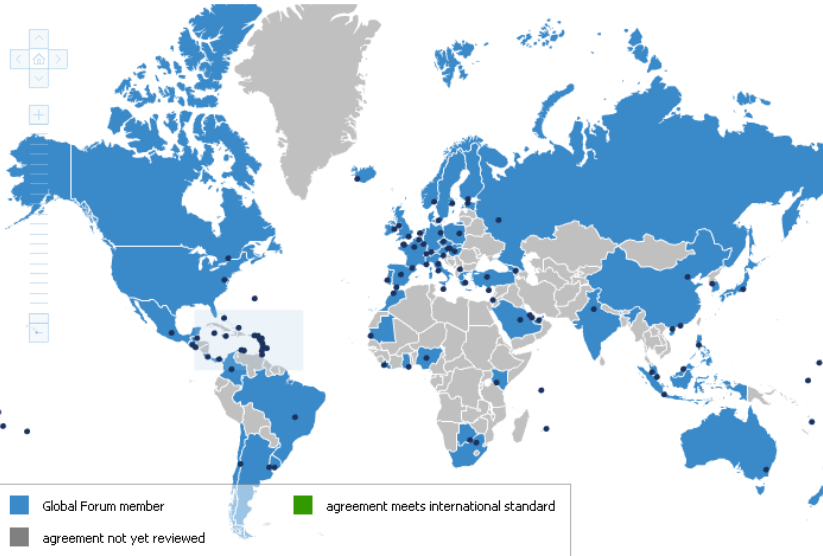
LATEST NEWS

Saint Vincent and the Grenadines Phase 1 Peer Review Report launched on 3 October 2011
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Trinidad and Tobago becomes the 102nd Global Forum member
A step forward: Trinidad and Tobago recently committed to im ...
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Guernsey leads the way on tax information agreements with developing nations
Guernsey at the forefront of sharing expertise and best prac ...
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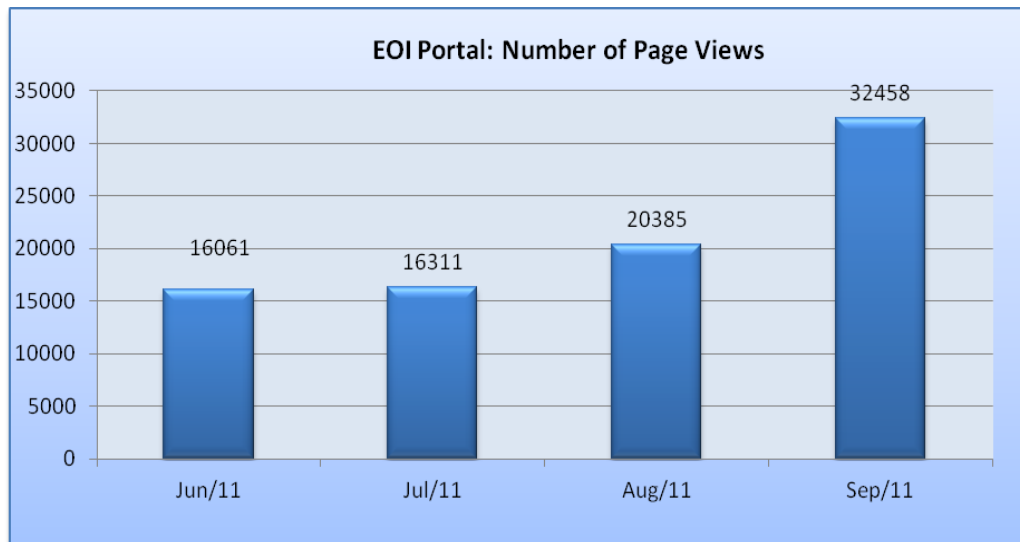


Global Forum member
agreement meets international standard
agreement not yet reviewed

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

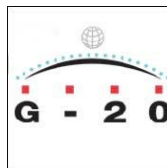
In 2011, the Exchange of Tax Information Portal (<http://www.eoi-tax.org>) was launched which encapsulates all relevant information for all Global Forum members in an exciting and engaging way. Global Forum members are invited to inform the Global Forum Secretariat on the developments concerning exchange of information taking place in their jurisdictions so that information on the portal is up to date. Welcome to the Global Forum community!

EOI PORTAL STATISTICS



PART II

THE PROGRESS REPORT TO THE G20: PROGRESS OF THE PEER REVIEWS



MOVING TOWARDS A MORE TRANSPARENT TAX WORLD

A PROGRESS REPORT TO G20 LEADERS BY THE GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES²

Over the past two years, there has been a sea change in the level of tax cooperation throughout the world. In response to the G20 call at the Summit in Washington, November 2008, there has been a widespread commitment by many jurisdictions worldwide to eliminating obstacles to information exchange in tax matters.

After the G20 London Summit, the Global Forum on Transparency and Exchange of Information for Tax Purposes was established to ensure that commitments to implementing the standard translate into actions and all jurisdictions participate on an equal footing. These commitments have resulted in more than 700 bilateral agreements signed, and many more such agreements continue to be negotiated. Moreover, significant changes to domestic legislation have been undertaken in many jurisdictions to allow for information exchange in practice.

To date, the Global Forum has experienced a remarkable level of cooperation as may be seen from the expansion of its membership as well as the willingness of members to act on recommendations made to address deficiencies identified as a result of the peer review process.

The peer review process examines the legal and regulatory framework of the member jurisdictions (Phase 1 reviews) and the actual implementation of the standard (Phase 2 reviews), and results in determinations which cover a wide scope regarding the availability of any relevant information in tax matters (ownership, accounting or bank information), the appropriate power for the administration to access the information and the administration's capacity to deliver this information to any partner which requests it.

² This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

This progress report represents an update on the work of the Global Forum to date. So far the Global Forum has completed 59 peer reviews, 17 of which examine both the legal and regulatory framework (Phase 1) and the practical implementation of the standard (Phase 2). It is expected that more than 40 additional Phase 1 and Phase 2 reviews will be completed by the end of 2012 and approximately 40 additional Phase 2 reviews by the end of 2013. As a result of the recommendations made by the Global Forum, significant changes to the domestic legislation of a number of jurisdictions have been undertaken to allow for effective exchange of information. The peer reviews are an on-going and dynamic process. In this regard, the findings of the first reviews described in this report serve as a guide for jurisdictions towards the implementation of the international standard and ultimately towards achieving effective information exchange practices.

Based on the 59 reviews completed so far, this report together with its annexes shows a high level of cooperation and a good level of compliance, and identifies unresolved deficiencies.

Quality of cooperation with the Forum

The quality of cooperation with the Global Forum is exceptionally high, as shown by the rapid expansion of member jurisdictions now reaching 105 member jurisdictions plus the EU and 9 observers. All members have been very cooperative in the course of their reviews. Cooperation is also demonstrated by the quick follow up to the reviews, with seven supplementary reports adopted, which acknowledge the actions taken by reviewed jurisdictions to date.

With the exception of Lebanon, all jurisdictions identified as relevant to its work have joined the Global Forum, and a growing number of jurisdictions, in particular developing countries, have decided to spontaneously join the Global Forum to benefit from this new cooperative environment.. Although Lebanon has not joined the Global Forum as a member, it has recently engaged with the Global Forum. Its peer review will be launched shortly.

Level of compliance

As noted the 59 reports adopted by the Global Forum have shown a good level of compliance. However, nearly all peer reviews to date have shown the need for improvement with 23 reports concluding that one or more elements essential for the exchange of information are not in place. Where these deficiencies are serious, the move to the Phase 2 reviews have been delayed.

Nine jurisdictions will move to a Phase 2 only when they have fixed deficiencies identified in their legal and regulatory framework. It is important to emphasise, however, that all member jurisdictions have committed to using the results of the peer review process to guide changes and improvements leading to the implementation of the international standard. Indeed, most of

the jurisdictions where deficiencies have been identified have already started to take action following their assessment and some have requested supplementary reports to reflect these changes. In this regard, the Global Forum has adopted seven supplementary reports assessing significant progress and has launched another three. This shows that the process is successful in enhancing the involvement of jurisdictions towards better compliance with the standard.

Unresolved deficiencies

Progress in the area of information exchange is significant with a growing number of agreements in place that meet the international standard being signed and brought into force.

Progress on the availability of bank information has also been confirmed by the peer reviews as this element is in place in 98% of the jurisdictions reviewed, giving rise to only a limited number (four) of recommendations.

Progress is still required in the availability of ownership and accounting information as the respective elements are in place in only 19 (ownership information) and 29 (accounting information) jurisdictions.

Access powers granted to competent authorities are sufficient in most cases with the element found not to be in place in only 11 out of 59 cases.

The Global Forum looks forward to reporting back to the G20 in 2012 and 2013 on the further progress made in achieving a fairer and more transparent tax environment and on the renewal of its mandate for a further 3 years.

MOVING TOWARDS A MORE TRANSPARENT TAX WORLD

A PROGRESS REPORT TO G20 LEADERS BY THE GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES³

After its Mexico meeting in 2009, the Global Forum on Transparency and Exchange of Information for Tax Purposes reported to the G20 on its restructuring and progress made towards transparency. At their Seoul meeting in November 2010, the G20 Leaders invited the Global Forum to provide another progress report by November 2011.

Over the past two years, there has been a sea change in tax cooperation throughout the world. The Global Forum has been instrumental in this change, which will improve tax compliance for the benefit of all jurisdictions. All Global Forum member jurisdictions have committed to implementing the internationally agreed standard on transparency and exchange of information, which was still controversial prior to the London G20 Summit. All members who had not previously adopted this standard have taken action to implement the standard with hundreds of agreements signed and many others being negotiated. Moreover, many members have adopted domestic legislation to permit effective exchange of information. Membership of the Global Forum has increased over the last year to 105 member jurisdictions plus the European Union and 9 observers.

Responding to the G20 call, the Global Forum has established an in-depth peer review mechanism to monitor the implementation of the now globally endorsed tax transparency standard. It has now completed 59 peer reviews.

The Global Forum process, with the support of the G20, has produced real change. The rate of change, triggered by the peer reviews, is now so fast that the Global Forum has put in place a follow up mechanism to quickly acknowledge the progress made by already reviewed jurisdictions. Jurisdictions are now able to request a supplementary review to evaluate changes made to their legal and regulatory framework for exchange of information to address recommendations included in their initial review.

This progress report represents an update of the work of the Global Forum to date. There is still work to be done and progress to be made by the member jurisdictions and the Global Forum. The peer reviews are an on-going and dynamic process. In this regard, the findings of the

³ This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

first reviews described in this report serve as a guide for jurisdictions towards the implementation of international standard and ultimately towards achieving effective information exchange practices. Final and overall ratings will be done once a representative subset of Phase 2 reviews has been completed.

Background

Since their first Summit in Washington in November 2008, the G20 Leaders have consistently called for improvements to tax transparency and exchange of information so that jurisdictions can fully enforce their tax laws to protect their tax bases. They have, in particular, urged that the lack of transparency and a failure to exchange information should be vigorously addressed. In that context, they have asked the Global Forum for regular reports on the progress made by jurisdictions in addressing the legal framework required to achieve effective exchange of information. At the Toronto Summit in June 2010, they requested that a report on progress be delivered at their November 2011 Summit. This invitation was confirmed at the Seoul Summit in November 2010 where the G20 Leaders called for the Global Forum to swiftly progress on Phase 1 reviews of jurisdictions' legal frameworks for transparency and exchange of information and Phase 2 reviews of the practical implementation of those frameworks.⁴

Obstacles, such as bank secrecy or domestic tax interests⁵, have previously stood in the way of effective exchange of information for tax purposes. Following the OECD report on Harmful Tax Practices in 1998 (which was produced in response to a call from the G7 in Lyon in 1996), a number of jurisdictions committed to implementing the standard of transparency and exchange of information for tax purposes. However, there were a number of OECD jurisdictions and other jurisdictions which did not commit to the standard. The lack of a universal endorsement meant that there was not a level playing field between large and small jurisdictions or OECD and non OECD economies.

Prior to the London Summit of April 2009, 15 of the 84 jurisdictions that participated in the Global Forum's annual assessment of their legal and administrative frameworks had not endorsed the standard. In the run up to the London Summit Andorra, Austria, Belgium, Brunei, Chile, Guatemala, Liechtenstein, Luxembourg, Monaco, Singapore, and

⁴ At their Paris meeting in February 2011, the G20 Finance Ministers indicated that the report to the Leaders should be based on around 60 completed reviews and that the report should, in particular, describe the quality of cooperation with the Forum, the level of compliance and the unresolved deficiencies. See Annex I, G20 Finance Ministers' communiqué, February 2011.

⁵ The concept of domestic tax interest describes the situation where a jurisdiction agrees to provide information to another jurisdiction only if the first jurisdiction itself has an interest in the requested information under its own domestic laws.

Switzerland endorsed the standard. Following the London Summit, Costa Rica, Malaysia, Philippines, and Uruguay also endorsed the standard. Further, while at the end of 2008 the jurisdictions which had committed to implementing the standard had concluded only 44 agreements to the standard, by the end of 2009 that number had risen to 364. Today, more than 700 agreements incorporating the standard have been signed by jurisdictions that had yet to substantially implement the standard in 2009.

Out of the 44 jurisdictions which had concluded fewer than 12 agreements to the standard as of 2 April 2009,⁶ there now remain only 5 (Guatemala, Montserrat, Nauru, Niue, and Uruguay), which have not reached this threshold, in some cases mainly for capacity reasons.

There have also been significant changes at the domestic level. For example, at the end of 2008, 46 jurisdictions assessed by the Global Forum in its annual assessment of its members' legal and regulatory framework for the exchange of information in tax matters had bearer shares, 31 had bank secrecy, and 6 had a domestic tax interest requirement: all of which represent a potential barrier to achieving an effective exchange of information. Even before the Global Forum had commenced its peer reviews, major progress had been made with 3 jurisdictions putting an end to a domestic tax interest requirement, 17 amending their legislation on bank secrecy, and 2 putting an end to, or immobilizing, bearer shares. These changes, along with those that have occurred since the commencement of the peer review, including the increase in the number of exchange of information agreements incorporating the international standard, have brought about a profound change in the international tax environment.

The Role of the Global Forum

The Global Forum is tasked with promoting the effective implementation of the internationally agreed standard on transparency and exchange of information.⁷ It is served by a self-standing, dedicated Secretariat based within the OECD. The Global Forum has established an in-depth peer review mechanism to monitor the implementation of the now globally

⁶ This is based on the survey of the 83 jurisdictions that were included in the Global Forum's survey of its members' legal and administrative framework for transparency and exchange of information, *Tax Cooperation: Towards a Level Playing Field, 2008 Assessment by the Global Forum on Taxation*.

⁷ The internationally agreed standard may be found primarily reflected in the 2002 Model Tax information Exchange Agreement and its commentary and in Article 26 of the OECD and its commentary as updated in 2004 (and approved by the OECD Council on 15 July 2005). The revisions to Article 26 aimed at reflecting the work that the Global Forum has done have also been incorporated in the UN Model Tax Convention. It provides for information exchange on request, where the information is foreseeably relevant for the administration or assessment of the taxes of the requesting party, regardless of bank secrecy or a domestic tax interest.

endorsed tax transparency standard. The international standard to which all Global Forum members have committed is set out in the Terms of Reference and each peer review is based on the standard's ten essential elements.⁸

Monitoring the implementation of the international standard

Exchange of information requires an appropriate legal and regulatory framework to be in place. In this regard, the peer reviews assess:

- the availability of information, in particular accounting, banking, and ownership information;
- the access to information and powers to obtain it by the competent authorities, in particular without a domestic tax interest requirement, and without hurdles which would unduly delay information exchange;
- whether exchange of information mechanisms (which generally are bilateral agreements, either Double Tax Conventions (DTCs) or Tax Information Exchange Agreements (TIEAs), multilateral conventions or, more rarely, unilateral domestic legislation) provide for effective exchange of information.

Nonetheless, having in place a legal and regulatory framework is only a first step. Effective implementation is required to achieve this. The Global Forum has put in place an in-depth peer review mechanism and monitoring process. Peer reviews take place in two phases: Phase 1 reviews assess the legal and regulatory framework, while Phase 2 reviews consider the effectiveness of the transparency and exchange of information.

The standard of transparency and exchange of information, which are divided among these three broad categories (availability, access and exchange of information), are broken down into 10 essential elements. The purpose of a Phase 1 review is to assess the extent to which a jurisdiction has in place the elements that would allow it to achieve effective exchange of information. Accordingly, a Phase 1 review leads to one of the following determinations in respect of each of the 10 essential elements:⁹

- the element is in place;
- the element is in place, but certain aspects of the legal implementation of the element need improvement; or
- the element is not in place.

⁸ See Annex IV describing the Terms of Reference's 10 essential elements.

⁹ The 10th element on the timeliness of the information exchange is assessed only in a Phase 2 review.

These determinations are accompanied by recommendations for improvement where necessary. Where a review reveals that some of the essential elements critical to achieving effective exchange of information are not in place, the jurisdiction does not proceed to the Phase 2 review until it has acted on recommendations made in the Phase 1 report.

Phase 2 reviews assess the same 10 elements as Phase 1 reviews, except that the review assesses information exchange in practice. Each element will receive a rating, ranging from Compliant, to Largely Compliant, Partially Compliant or Non Compliant. Based on this assessment, each jurisdiction will also be assigned an overall rating on its practical implementation of the standard. Though some Phase 2 reviews are already being conducted, it is expected they will only begin on a wide scale in the second half of 2012.

Quality of Cooperation and Levels of Compliance

To date the Global Forum has experienced a remarkable level of cooperation that may be seen from the expansion of its membership base as well as the willingness of members to act on recommendations made to address deficiencies identified by the peer reviews. The Global Forum now includes 105 member jurisdictions and the European Union and 9 observers (see Annex III). In just two years, the Global Forum has, with the political support of the G20, put in place mechanisms allowing for in-depth peer reviews and the monitoring of the progress made by its members and non-members. The Global Forum has also identified seven jurisdictions of relevance to its work (that is, those jurisdictions that may gain a competitive advantage if they do not implement the standard or participate in the Global Forum): Botswana, Former Yugoslav Republic of Macedonia, Ghana, Jamaica, Lebanon, Qatar and Trinidad and Tobago. All jurisdictions identified as relevant by the Global Forum have now committed to implementing the standard and have joined the Global Forum, except for Lebanon. Lebanon has recently engaged with the Global Forum and its peer review will be launched shortly. Finally, a number of jurisdictions eager to benefit from the new environment of transparency have decided to confirm their commitment by becoming members of the Global Forum: Colombia, El Salvador, Georgia, Kenya, Mauritania, Morocco, and Nigeria. Consequently, one of the main objectives set for this work – achieving a level playing field – is well on the way to being achieved.

So far, the Global Forum has launched 81 peer reviews and adopted 59 reports. Of the 59 reviews completed, 42 are Phase 1 reviews and 17 are combined reviews (that is, both a Phase 1 and Phase 2 review conducted simultaneously). Another 22 reviews are currently being conducted (4 of which are combined) and should be completed early in 2012.

The 59 reports adopted and published by the Global Forum have given rise to 530 determinations. Of the 530 determinations made, 357 elements have been found to be “in place”, 122 elements are “in place, but”, and 51 elements are “not in place”. Overall, a total of 379 recommendations have been made.

Reviewed jurisdictions are expected to report in the 6 to 12 months following their review on how they have addressed any deficiencies to support this process of change. As a result of the issues raised during the Phase 1 review, 12 jurisdictions could not initially move on to a Phase 2 review. In certain cases, the Global Forum decided to issue supplementary Phase 1 reports to reflect significant progress in addressing deficiencies identified in the initial Phase 1 report. As a result of the changes made to their laws to address certain deficiencies identified British Virgin Islands, San Marino and Turks and Caicos Islands may now move to a Phase 2 review.

To date, seven jurisdictions (Belgium, British Virgin Islands, the Cayman Islands, Mauritius, Monaco, San Marino and Turks and Caicos Islands) have reported progress that has been assessed through supplementary reviews, where the Global Forum has found that 27 recommendations had been successfully addressed. A further three supplementary reviews have been launched (Barbados, Bermuda and Panama), and the action taken by these jurisdictions will be considered in these supplementary reviews. In addition, at the Global Forum's meetings in Bermuda in May and in Paris in October, many previously reviewed jurisdictions have reported on changes in their domestic legislation, following up on Global Forum recommendations.

At this point, 47 jurisdictions have not yet been peer reviewed. For jurisdictions that have recently joined the Global Forum the reviews have been scheduled later so that they can better prepare: this is the case for Colombia, Georgia, Kenya and Nigeria (all Phase 1 reviews scheduled in the first half of 2013), and for El Salvador, Mauritania, and Morocco (all Phase 1 reviews scheduled in the first half of 2014).

Jurisdictions' compliance with the standard

The tables below provide a breakdown of the recommendations and determinations that have been made under the Phase 1 reviews. Table 1 shows the distribution of the recommendations among the various elements. Table 2 shows the number of jurisdictions found to have elements not in place. This table shows that for 36 jurisdictions none of the elements was found not to be in place. Table 3 shows the number of elements that need improvement for these 36 jurisdictions (8 of which have all elements in place with none requiring improvement). Overall, the situation is diverse and requires a fair amount of follow up from member jurisdictions and monitoring from the Global Forum.

Table 1: Phase 1 recommendations

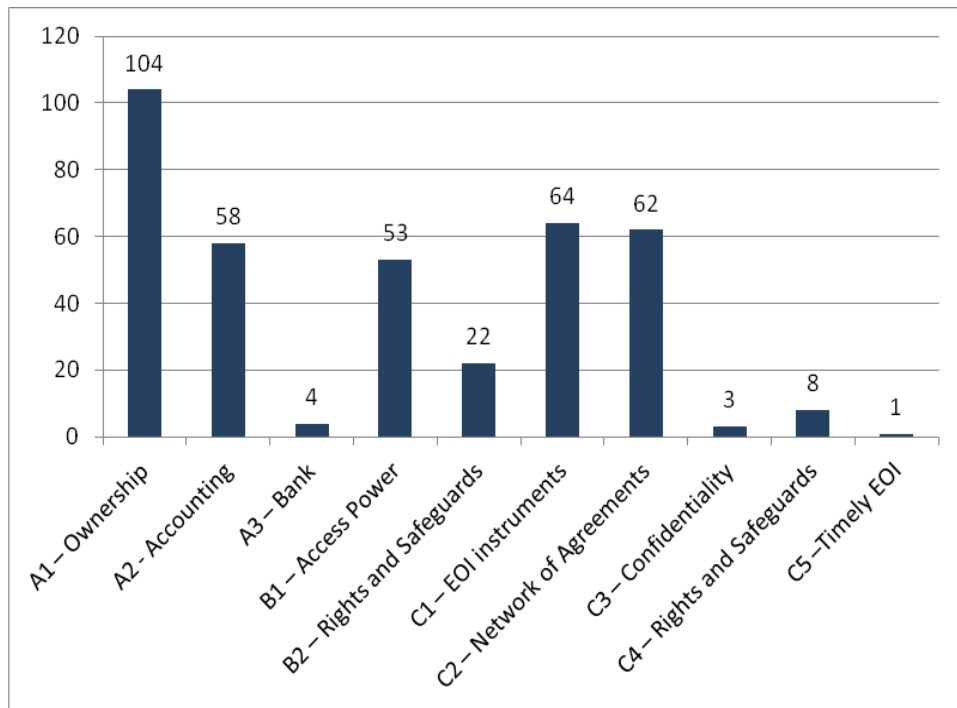


Table 2: Distribution of jurisdictions based on the number of elements not in place

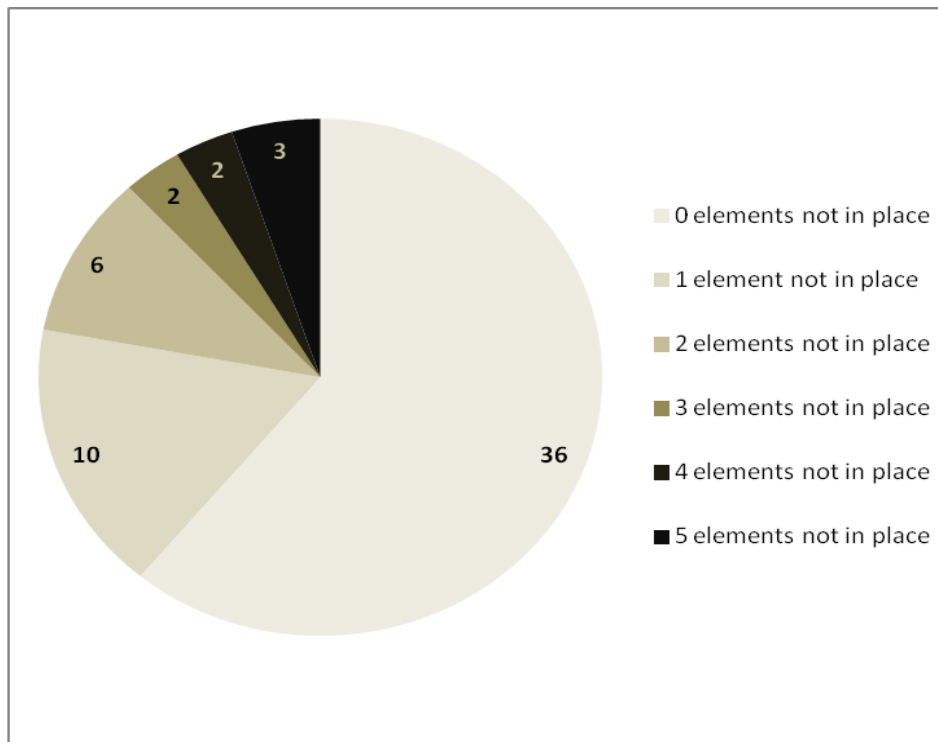
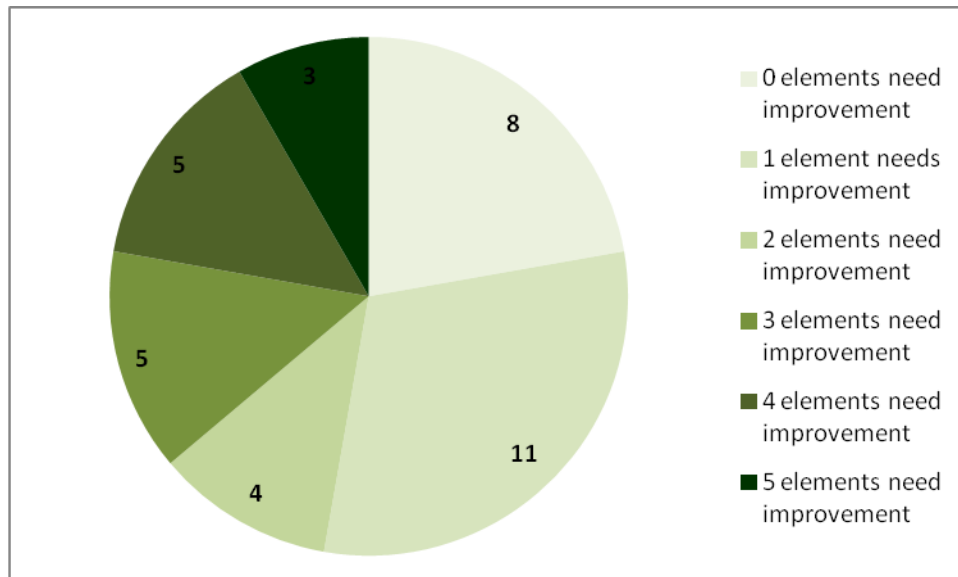


Table 3: Distribution of elements needing improvement for jurisdictions with all elements in place or in place, but needing improvement



In considering the results of the peer reviews it is of paramount importance to consider the assessments in a dynamic way, given that many jurisdictions have many years of experience of implementing the standard while others have little or no experience in engaging in effective exchange of information. Ultimately, the true test of whether the Global Forum is achieving its goal of effective exchange of information will only be assessed at the end of Phase 2 reviews. Moreover, some jurisdictions have been scheduled for peer reviews earlier than others, giving them the opportunity to follow up on their review and to make further progress at the time of the current report.

At this stage, the reviews reveal some differences among the jurisdictions, regarding the extent to which the various elements necessary for effective information exchange are in place. This was to be expected, since some jurisdictions have a long history of exchange of information, while others have only started to implement the standard more recently. It is important to emphasise, however, that all member jurisdictions have committed to using the results of the peer review process to guide changes and improvements leading to the implementation of the international standard. Indeed, most of the jurisdictions where deficiencies have been identified have already started to take action and some have requested supplementary reports to reflect these changes. The following paragraphs summarise the results of the peer review to date. See Annex 2 for a full description of the Phase 1 determinations made in the reviews completed to date.

While all jurisdictions have been found to have at least three elements in place, only eight jurisdictions have been found as having all the elements in place with no significant improvements needed in any of them (Australia, France, India, Ireland, Isle of Man, Italy, Japan and Norway). Another 15 jurisdictions will need to improve one or two elements (Belgium, Canada, Cayman Islands, Denmark, the Former Yugoslav Republic of Macedonia, Germany, Guernsey, Mauritius, the Netherlands, New Zealand, Qatar, Spain, St Kitts and Nevis, Turks and Caicos, and the United States). Ten jurisdictions will have to improve three or four elements (Bahrain, Bermuda, Curacao, Ghana, Hong Kong China, Jersey, Macao China, the Philippines, San Marino and Singapore). Finally, three jurisdictions will have to improve five elements (Andorra, Aruba and Malaysia).

Of the jurisdictions where one or more elements were found not to be in place, the peer reviews reveal the following. With respect to ten jurisdictions one element was found not to be in place: The Bahamas (availability of accounting information), which does not need to make significant improvements in any other element; British Virgin Islands and Gibraltar (availability of accounting information), which both need to make improvements in one other element; Anguilla (availability of accounting information), which needs to make improvements in two other elements; Luxembourg (availability of ownership and identity information), which needs to make improvements in two other elements; the United Kingdom (access to information), which needs to make improvement in two other elements; Monaco (availability of accounting

information), which needs to make improvement in three other elements; Austria (availability of ownership information) which needs to make improvements in four other elements; Indonesia (access to information), which needs to make improvements in four other elements; and Hungary (availability of ownership and identity information), which needs to make improvements in five other elements. Finally, two jurisdictions were found to have two elements not in place: Jamaica (access to information and exchange of information mechanisms to the standard), which needs to make improvements in three other elements; and Estonia (access to information and exchange of information mechanisms to the standard), which needs to make improvements in four other elements. However, all the above mentioned jurisdictions were found to be able to proceed to their Phase 2 review.

In three cases, jurisdictions were found to have two elements not in place and progress to Phase 2 has been conditioned on addressing recommendations stated in the initial report. In the case of Belgium, the initial report identified that two elements were not in place (access to information and exchange of information mechanisms to the standard), with two other elements that need improvement. Progress to the Phase 2 review was conditional on the recommendations being addressed. Subsequently, Belgium has put an end to its domestic bank secrecy meaning that its 70 plus treaties now conform to the international standard. This move has been acknowledged by the Global Forum and Belgium now has all elements in place (but with improvements still needed in one element). In the case of Switzerland two elements were also found not to be in place (availability of ownership and identity information and exchange of information mechanisms to the standard), with three other elements needing improvement. Moving to Phase 2 is conditioned upon adoption of an interpretation of its new treaties in accordance with the international standard. Since its initial report, Switzerland has introduced bills to address this issue. Finally, in the case of Liechtenstein two elements were found not to be in place (availability of ownership and identity information and availability of accounting information), with three other elements needing improvement, and progress to Phase 2 is conditioned on addressing the deficiencies identified relating to the elements not in place.

In the case of nine jurisdictions (Antigua and Barbuda, Barbados, Brunei, Botswana, Panama, Seychelles, Trinidad and Tobago, Uruguay and Vanuatu) it was determined at the time of their Phase 1 reviews, that critical elements necessary to achieving an effective exchange of information were not in place and therefore these jurisdictions could not move to Phase 2 review until they act on the recommendations to improve their legal and regulatory framework. Initially, an additional three jurisdictions (the British Virgin Islands, Turks and Caicos Islands and San Marino) were also in this category. Each of these three jurisdictions has subsequently introduced improvements that have been assessed in supplementary reports, and may now move to a Phase 2 review.

In Barbados, it was determined that two elements were not in place (exchange of information mechanisms to the standard and a network of exchange of information mechanisms

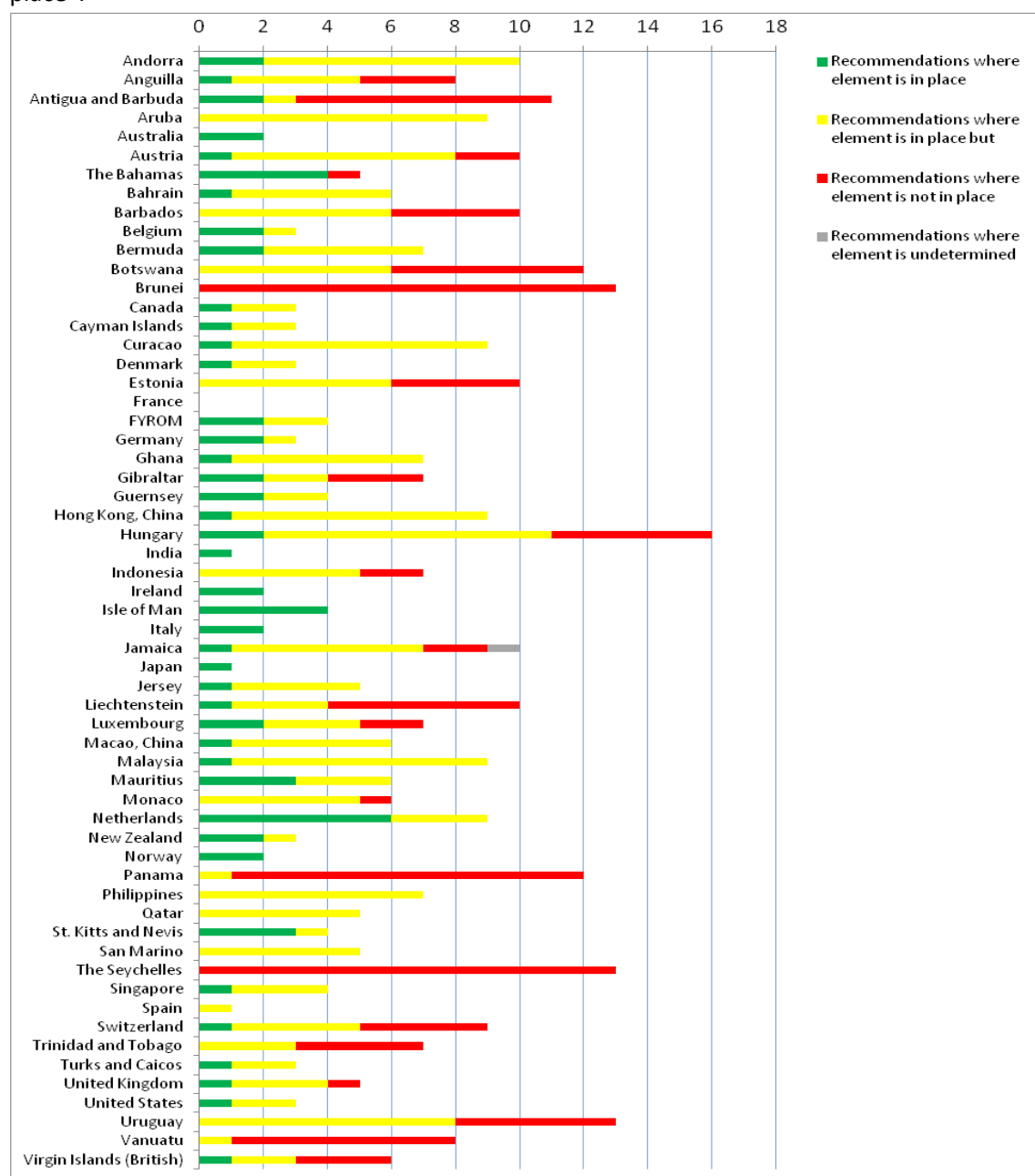
with all relevant partners) with four other elements that need improvement. In Uruguay, two elements were found not in place (availability of ownership information, and a network of exchange of information with relevant partners), with five more elements that need improvement. In Antigua and Barbuda, three elements were found not to be in place (accounting information, power to access information, and exchange of information mechanisms to the standard), with one other element that needs improvement. In Trinidad and Tobago three elements were found not to be in place (access to information, exchange of information mechanisms to the standard and a network of exchange of information mechanisms with all relevant partners) with two other elements that need improvement. In Vanuatu, four elements were found not to be in place (accounting information, power to access information, exchange of information mechanisms that meet the standard, and a network of exchange of information mechanisms with all relevant partners) and one element that needs improvement. In Botswana four elements were found not to be in place (access to information, exchange of information mechanisms to the standard, a network of exchange of information mechanisms with all relevant partners, and measures to ensure the confidentiality of information exchanged), with two other elements that need improvement. Brunei, Panama and the Seychelles were each found to have five elements not in place (the availability of ownership and identity information, accounting information, powers to access information, exchange of information mechanisms that meet the standard, and a network of exchange of information mechanisms with all relevant partners), and in Panama's case one other element needs improvement. In the case of Barbados and Panama, supplementary reviews have been launched and the action taken by these jurisdictions will be considered in these supplementary reviews.

Finally, the seven supplementary reports already adopted by the Global Forum highlight significant improvements in various fields such as availability of ownership information (San Marino), accounting information (Cayman Islands, Mauritius, San Marino, Turks and Caicos), and access to information (Belgium, San Marino, Turks and Caicos, and British Virgin Islands).

Outcomes for the Phase 1 reviews – the deficiencies to be addressed

Recommendations per jurisdiction

The following table shows the number of recommendations made under Phase 1 for each of the reviewed jurisdictions. In addition, it shows the distribution of the recommendations between the various determinations, *i.e.*, how many recommendations are made in respect of elements that are found to be “in place”, how many where the element is “in place, but needs improvement”, and how many where the element is “not in place”.



The complete results for the reviews – including the results of supplementary reviews – are displayed in the Annex 2 table.

Common trends on the legal and regulatory framework

(A) Availability of information - Progress on the availability of bank information has also been confirmed by the reviews as this element is in place in 98% of the jurisdictions reviewed, giving rise to only a limited number (4) of recommendations.

Progress is still required in the availability of ownership and accounting information as the respective elements are in place in only 19 (ownership information) and 29 (accounting information) jurisdictions. The deficiencies identified in these areas have resulted in determining the element was not in place in 9 cases (ownership information) and 11 cases (accounting information). The deficiencies have given rise to 162 recommendations (104 for ownership information and 58 for accounting information). In a number of jurisdictions, offshore activities are not covered by any obligations to ensure the availability of information. Other shortcomings identified include the fact that bearer shares are a common feature in many jurisdictions. Moreover, nominees are used in some jurisdictions where deficiencies exist in identifying on behalf of which person a nominee acts. Also, the obligations to hold identity and accounting information in respect of trusts are not consistently ensured in legislation. A number of recommendations have been formulated on this issue and the Global Forum has also agreed to further study the issue of transparency related to trusts.

Nonetheless, member jurisdictions have already started addressing issues regarding the availability of information as shown in the supplementary reports of the Cayman Islands, Mauritius, San Marino and the Turks and Caicos Islands.

(B) Access to information - Access powers granted to competent authorities are sufficient in most cases with the element found not to be in place in only 11 out of 59 cases. The main issues are the retention of a domestic tax interest requirement, a lack of power to access offshore business information, and the issue of domestic restrictions to access bank information. In particular, the Global Forum has clearly stated that jurisdictions should not insist on being provided with the name and address of the taxpayers for a foreseeable relevant request to be satisfied, provided the taxpayer can be identified through other means. However, this issue is now being solved with all jurisdictions where such a restriction has been identified introducing new legislation.

(C) Exchanging Information –The Global Forum has examined the quality of the treaties providing information exchange. Of the 2470 treaties examined, most met the standard with 559 not conforming to the international standard. Of these, approximately one third did not have the requisite element in place. This results either from the fact that jurisdictions were found deficient on the access powers or because they have not yet completed the ratification

procedures. Action has already been reported in a number of jurisdictions to fix this problem, as shown in the case of Belgium (legislation passed to allow all existing treaties to meet the standard), the British Virgin Islands, San Marino and Turks and Caicos Islands (with clearer access powers granted to the competent authority). Maintaining the confidentiality of information exchanged and the existence of sufficient rights and safeguards for taxpayers are pre-requisites to ensure that information can be exchanged safely. These elements have been found to be in place in almost all the Global Forum members so far reviewed (Confidentiality provisions are not fully in place only in two cases and Rights and Safeguards not fully in place in three cases).

As regards the size and relevance of the treaty networks, major progress has been made with 700 tax information exchange agreements and DTCs signed since 2008. Globally, there are only a few cases where a request to negotiate an information exchange agreement has not been responded to positively. While some jurisdictions continue to insist on not concluding tax information exchange agreements because their policy is only to agree to DTCs – whilst the standard requires jurisdictions to enter into exchange of information agreements regardless of their form – the trend seems to be changing with some members committing to change their policies in respect of concluding TIEAs rather than DTCs.

Common trends on combined reviews

A total of 17 jurisdictions have undergone combined reviews of both their legal and regulatory frameworks for exchange of information (Phase 1) as well as their ability to exchange information in practice (Phase 2). The Phase 1 aspects of these reviews are included in the analysis above. In terms of the Phase 2 aspects, no ratings have yet been made by the Global Forum. Nonetheless, recommendations on the Phase 2 aspects have been made where appropriate. The main findings are that information exchange is too slow.

The effectiveness of information exchange

The experience of the Global Forum peer reviews shows that the best practical way to guarantee effective implementation is by a rigorous peer review process and follow up. In order to ensure the effectiveness of information exchange, jurisdictions need to address the deficiencies identified in the course of the Phase 1 reviews. They also need to put in place competent authorities able to process the requests so that information exchange takes place in a timely manner. It is interesting to note that all jurisdictions have progress to make in this area as delays are experienced in all jurisdictions, including those which have a long-standing practice in tax cooperation.

One of the outcomes of the Bermuda Global Forum meeting was an agreement to facilitate a meeting of competent authorities so that there is an opportunity to come together and exchange views on issues they have encountered and best practices for ensuring effective

exchange of information in practice. In this regard, a draft agenda for an ad hoc meeting to be held back-to-back to the Global Forum's meeting in 2012 was agreed at the Global Forum meeting in Paris. Effective exchange of information is about cooperation, and this will promote greater contact, interaction and dialogue between the officials in charge of making sure the standard is respected.

Report to the G20 on Developing Jurisdictions

As part of the Seoul Multi-Year Action Plan on Development, the G20 Leaders requested the Global Forum to "enhance its work to counter the erosion of developing countries' tax bases and, in particular, to highlight in its report the relationship between the work on non-cooperative jurisdictions and development". The G20 asked that the results be reported for the occasion of the G20 Cannes Summit in November 2011. The report was drafted with the assistance of an Advisory Panel created specifically for this purpose and comprised of a diverse representation of our members, including a number of developing jurisdictions and those relevant international organisations working in the development community. This report was adopted by the Global Forum in August and was delivered to the Development Working Group and the G20 Presidency early in September. The report proposes concrete short and medium-term actions to ensure that developing jurisdictions can benefit from the Global Forum's work and have the training and expertise necessary to fully implement the international standard.

Supporting the work of the Global Forum: Training and Outreach

The Global Forum also continues to develop its technical assistance programme in conjunction with other international organisations, which started in 2011. Commencing with a 3-day seminar in Jamaica in January, the Global Forum launched a series of technical assistance courses to prepare jurisdictions for their peer reviews. The seminars are fundamental to developing an appreciation of the requirements of the international standard, particularly for those jurisdictions which may have had limited historical involvement in the Global Forum. To date the seminars have been regionally focused: the inaugural programme took place in Jamaica in January 2011, a further session for Pacific and Asian members was held in Australia in March 2011, and a third session was held in June in South Africa.

The Global Forum Secretariat provides on-going training courses to assessors. The training covers a variety of topics including a detailed analysis of the Terms of Reference and the essential elements that a jurisdiction should have in place, the role and responsibilities of assessors as well as how to apply the Assessment Criteria. These and other topics are presented with a strong emphasis on group discussions of practical examples that an assessor may be faced with when conducting a review.

The first training session was held in Paris in March 2010. A second session was hosted at the Commonwealth Secretariat in London in October 2010 and generally 2 – 3 courses will be

given each year. The latest training session took place in July 2011 in Jersey. In order to ensure that assessors from all members of the Global Forum have the opportunity to attend the assessor training courses, a number of courses will be organized in important regional centres within the Global Forum's membership.

ANNEX I: G20 FINANCE MINISTERS' COMMUNIQUÉ, FEBRUARY 2011

... We welcome the 18 peer reviews issued by the Global Forum on Transparency and Exchange of Information and urge all jurisdictions so far identified as not having the elements in place to achieve an effective exchange of information to promptly address the weaknesses. We look forward to the progress report by November 2011, based on the expected completion of around 60 phase 1 reviews, to address in particular the jurisdictions' quality of cooperation with the Forum, level of compliance and unsolved deficiencies. We call upon more jurisdictions to join the Global Forum and to commit to implementing the standard. We urge all jurisdictions to extend further their networks of Tax Information Exchange Agreements and encourage jurisdictions to consider signing the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

ANNEX II PHASE 1 REVIEWS

THE GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES – PHASE 1 (LEGAL AND REGULATORY FRAMEWORK)													
			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Power	B2 – Rights and Safeguards	C1 – EOI Instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Move to Phase 2
1	Andorra	Phase 1	In place, but	In place, but	In place	In place, but	In place, but	In place, but	In place	In place	In place	Not assessed	Yes
2	Anguilla	Phase 1	In place, but	Not in place	In place	In place, but	In place	In place	In place	In place	In place	Not assessed	Yes
3	Antigua and Barbuda	Phase 1	In place	Not in place	In place	Not in place	In place, but	Not in place	In place	In place	In place	Not assessed	No
4	Aruba	Phase 1	In place, but	In place	In place	In place, but	In place, but	In place, but	In place, but	In place	In place	Not assessed	Yes
5	Australia	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
6	Austria	Phase 1	Not in place	In place	In place	In place, but	In place, but	In place, but	In place, but	In place	In place	Not assessed	Yes
7	The Bahamas	Phase 1	In place	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
8	Bahrain	Phase 1	In place	In place, but	In place	In place, but	In place, but	In place, but	In place	In place	In place	Not assessed	Yes

	The element is “in place”.
	The element is “in place, but certain aspects of the legal implementation of the element need improvement”.
	The element is “not in place”.

			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Power	B2 – Rights and Safeguards	C1 – EOI Instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Move to Phase 2
9	Barbados	Phase 1	In place, but	In place, but	In place, but	In place, but	In place	Not in place	Not in place	In place	In place	Not assessed	No
10	Belgium	Phase 1 + Supplementary	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
11	Bermuda	Phase 1	In place, but	In place, but	In place	In place	In place	In place, but	In place	In place	In place	Not assessed	Yes
12	Botswana	Phase 1	In place, but	In place, but	In place	Not in place	In place	Not in place	Not in place	Not in place	In place	Not assessed	No
13	Brunei	Phase 1	Not in place	Not in place	In place	Not in place	In place	Not in place	Not in place	In place	In place	Not assessed	No
14	Canada	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
15	Cayman Islands	Phase 1 + Supplementary	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
16	Curacao	Phase 1	In place, but	In place	In place	In place	In place, but	In place, but	In place, but	In place	In place	Not assessed	Yes
17	Denmark	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
18	Estonia	Phase 1	In place, but	In place	In place	Not in place	In place, but	Not in place	In place, but	In place, but	In place	Not assessed	Yes

			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Power	B2 – Rights and Safeguards	C1 – EOI Instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Move to Phase 2
19	France	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
20	FYROM	Phase 1	In place	In place	In place	In place	In place, but	In place	In place	In place	In place	Not assessed	Yes
21	Germany	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
22	Ghana	Phase 1	In place, but	In place, but	In place	In place	In place	In place, but	In place, but	In place	In place	Not assessed	Yes
23	Gibraltar	Phase 1	In place, but	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
24	Guernsey	Phase 1	In place	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
25	Hong Kong, China	Phase 1	In place, but	In place	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Yes
26	Hungary	Phase 1	Not in place	In place, but	In place	In place, but	In place, but	In place, but	In place	In place	In place, but	Not assessed	Yes
27	India	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
28	Indonesia	Phase 1	In place, but	In place, but	In place	Not in place	In place	In place, but	In place, but	In place	In place	Not assessed	Yes

			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Power	B2 – Rights and Safeguards	C1 – EOI Instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Move to Phase 2
29	Ireland	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
30	Isle of Man	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
31	Italy	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
32	Japan	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
33	Jamaica	Phase 1	In place, but	In place, but	In place	Not in place	In place, but	Not in place	In place	In place	In place	Not assessed	Yes
34	Jersey	Combined	In place	In place, but	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	-
35	Liechtenstein	Phase 1	Not in place	Not in place	In place	In place	In place, but	In place, but	In place, but	In place	In place	Not assessed	Conditional
36	Luxembourg	Phase 1	Not in place	In place	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	Yes
37	Macao, China	Phase 1	In place, but	In place, but	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	Yes
38	Malaysia	Phase 1	In place, but	In place, but	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Yes

			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 – Accounting	A3 – Bank	B1 – Access Power	B2 – Rights and Safeguards	C1 – EOI Instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 – Timely EOI	Move to Phase 2
39	Mauritius	Combined + Supplementary	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
40	Monaco	Phase 1 + Supplementary	In place, but	Not in place	In place	In place	In place, but	In place	In place, but	In place	In place	Not assessed	Yes
41	Netherlands	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
42	New Zealand	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
43	Norway	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
44	Panama	Phase 1	Not in place	Not in place	In place	Not in place	In place	Not in place	Not in place	In place	In place, but	Not assessed	No
45	Philippines	Phase 1	In place, but	In place, but	In place	In place	In place	In place, but	In place, but	In place	In place	Not assessed	Yes
46	Qatar	Phase 1	In place	In place	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	Yes
47	St. Kitts and Nevis	Phase 1	In place	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
48	San Marino	Phase 1 + Supplementary	In place	In place	In place	In place	In place, but	In place, but	In place, but	In place	In place	Not assessed	Yes

			Availability of Information			Access to Information		Exchange of Information					
	Jurisdiction	Type of Review	A1 – Ownership	A2 - Accounting	A3 – Bank	B1 – Access Power	B2 – Rights and Safeguards	C1 – EOI Instruments	C2 – Network of Agreements	C3 – Confidentiality	C4 – Rights and Safeguards	C5 –Timely EOI	Move to Phase 2
49	The Seychelles	Phase 1	Not in place	Not in place	In place	Not in place	In place	Not in place	Not in place	In place	In place	Not assessed	No
50	Singapore	Phase 1	In place	In place	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Yes
51	Spain	Combined	In place	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	-
52	Switzerland	Phase 1	Not in place	In place	In place	In place, but	In place, but	Not in place	In place, but	In place	In place	Not assessed	Conditional
53	Trinidad and Tobago	Phase 1	In place, but	In place	In place	Not in place	In place, but	Not in place	Not in place	In place	In place	Not assessed	No
54	Turks and Caicos	Phase 1 + Supplementary	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
55	United Kingdom	Combined	In place, but	In place	In place	Not in place	In place	In place, but	In place	In place	In place	Not assessed	-
56	United States	Combined	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
57	Uruguay	Phase 1	Not in place	In place, but	In place	In place, but	In place, but	In place, but	Not in place	In place	In place, but	Not assessed	No
58	Vanuatu	Phase 1	In place, but	Not in place	In place	Not in place	Not assessed	Not in place	Not in place	In place	In place	Not assessed	No
59	Virgin Islands (British)	Phase 1 + Supplementary	In place, but	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes

ANNEX III MEMBERS OF THE GLOBAL FORUM

ANDORRA	JERSEY
ANGUILLA	KENYA
ANTIGUA & BARBUDA	KOREA
ARGENTINA	LIBERIA
ARUBA	LIECHTENSTEIN
AUSTRALIA	LUXEMBOURG
AUSTRIA	MACAO, CHINA
THE BAHAMAS	MALAYSIA
BAHRAIN	MALTA
BARBADOS	MARSHALL ISLANDS
BELGIUM	MAURITANIA
BELIZE	MAURITIUS
BERMUDA	MEXICO
BOTSWANA	MONACO
BRAZIL	MONTSERRAT
BRUNEI	MOROCCO
CANADA	NAURU
CAYMAN ISLANDS	NETHERLANDS
CHILE	NEW ZEALAND
CHINA	NIGERIA
COLOMBIA	NIUE
COOK ISLANDS	NORWAY
COSTA RICA	PANAMA
CURACAO	PHILIPPINES

CYPRUS ¹⁰	POLAND
CZECH REPUBLIC	PORTUGAL
DENMARK	QATAR
DOMINICA	RUSSIAN FEDERATION
EL SALVADOR	SAMOA
ESTONIA	SAN MARINO
EUROPEAN UNION	SAUDI ARABIA
FINLAND	SEYCHELLES
FRANCE	SINGAPORE
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	SLOVAK REPUBLIC
GEORGIA	SLOVENIA
GERMANY	SOUTH AFRICA
GHANA	SPAIN
GIBRALTAR	ST. KITTS AND NEVIS
GREECE	ST. LUCIA
GRENADA	ST. MAARTEN
GUATEMALA	ST. VINCENT AND THE GRENADINES
GUERNSEY	SWEDEN
HONG KONG, CHINA	SWITZERLAND

¹⁰ - Note by Turkey: The information in this document 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 recognises 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 Commission: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

HUNGARY	TRINIDAD AND TOBAGO
ICELAND	TURKEY
INDIA	TURKS AND CAICOS
INDONESIA	UNITED ARAB EMIRATES
IRELAND	UNITED KINGDOM
ISLE OF MAN	UNITED STATES
ISRAEL	URUGUAY
ITALY	VANUATU
JAMAICA	VIRGIN ISLANDS, BRITISH
JAPAN	VIRGIN ISLANDS, USA

OBSERVERS OF THE GLOBAL FORUM

ASIAN DEVELOPMENT BANK	INTERNATIONAL FINANCE CORPORATION
COMMONWEALTH SECRETARIAT	INTERNATIONAL MONETARY FUND
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	UNITED NATIONS
EUROPEAN INVESTMENT BANK	WORLD BANK
INTER-AMERICAN DEVELOPMENT BANK	

ANNEX IV: THE TERMS OF REFERENCE

Phase 1 reviews will assess the quality of a jurisdiction's legal and regulatory framework for the exchange of information, while Phase 2 reviews will look at the practical operation of that framework. These reviews are based on the Terms of Reference, which break the international standard down into 10 essential elements.

Box 1. THE 10 ESSENTIAL ELEMENTS OF TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

A AVAILABILITY OF INFORMATION

A.1. Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

A.2. Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

A.3. Banking information should be available for all account-holders.

B ACCESS TO INFORMATION

B.1. Competent authorities should have the power to obtain and provide information that is the subject of a request under an EOI agreement from any person within their territorial jurisdiction who is in possession or control of such information.

B.2. The rights and safeguards that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

C EXCHANGING INFORMATION

C.1. EOI mechanisms should provide for effective exchange of information.

C.2. The jurisdictions' network of information exchange mechanisms should cover all relevant partners.

C.3. The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received.

C.4. The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties.

C.5. The jurisdiction should provide information under its network of agreements in a timely manner.

ANNEX V: SCHEDULE OF REVIEWS

At its meeting in Mexico on 1-2 September 2009, the Global Forum decided on a three-year mandate with the possibility, if needed, to extend it, aimed at monitoring and peer review of its members and other relevant jurisdictions based on the Global Forum standard of transparency and information exchange for tax purposes.

The Global Forum also established a Peer Review Group (PRG) to develop the methodology and detailed terms of reference for the peer review process and agreed that “there will be two phases for the peer review”. Phase 1 will examine the legal and regulatory framework in each jurisdiction whereas Phase 2 will evaluate the implementation of the standard in practice. It was also agreed that all jurisdictions would be reviewed under Phase 1 during the first mandate, which is not necessarily the case for Phase 2.

The attached schedule of reviews is based on the guidelines set out below.

The schedule attempts to balance a number of considerations and no inference should be drawn about a particular jurisdiction from the timing of the reviews. All members of the Global Forum will ultimately be reviewed under both Phase 1 and Phase 2 even though it will not be possible to complete all of the Phase 2 reviews during the first mandate. In some cases where jurisdictions have a long standing commitment to the Global Forum standard, an adequate treaty network and a history of exchange of information with other jurisdictions, a combined Phase 1-2 review has been scheduled. Moreover, a number of jurisdictions have volunteered for an early combined Phase 1-2 review to be scheduled. However, not all jurisdictions which might prefer and be suitable for combined Phase 1-2 have been scheduled for such combined reviews because of resources issues.

The following factors were taken into account in developing the schedule:

- Achieving a regional balance, a balance between OECD and non OECD reviews over the period of the mandate and a balance between those that committed to the standard early and those that have made more recent commitments.
- Jurisdictions lacking exchange of information agreements have been scheduled later for Phase 2 reviews as they do not have sufficient experience in implementing the standard in practice.
- The schedule takes into account exceptional circumstances so as not to overburden jurisdictions which would undergo other peer reviews around the same time (for instance FATF).

- Jurisdictions which are not members of the Global Forum but are considered to be relevant to be reviewed have been scheduled early for Phase 1 reviews.

Note that the schedule is provisional, particularly as relates to Phase 2 reviews, and may need to be adjusted to take account of circumstances as they arise.

2010				2011			
1 st Half		2 nd Half		1 st Half		2 nd Half	
Australia	Canada	Belgium	Bahrain	Anguilla	Andorra	Chile	Cook Islands
Barbados	Denmark	France	Estonia	Antigua and Barbuda	Brazil	China	Czech Republic
Bermuda	Germany	Isle of Man	Guernsey	Turks and Caicos	Brunei	Costa Rica	Grenada
Botswana	India	Italy	Hungary	Austria	Hong Kong, China	Cyprus	Liberia
Cayman Islands	Jamaica	Liechtenstein	Japan	British Virgin Islands	Macao, China	Gibraltar	Malta
Ghana	Jersey	New Zealand	Philippines	Indonesia	Malaysia	Greece	Russian Federation
Ireland	Monaco	San Marino	Singapore	Luxembourg	Spain	Guatemala	Saint Lucia
Mauritius	Panama	Saudi Arabia	Switzerland	Netherlands	United Arab Emirates	Korea	Slovak Republic
Norway	Seychelles	The Bahamas	Aruba	Curaçao	Uruguay	Mexico	South Africa
Qatar	Trinidad and Tobago	United States	United Kingdom	Saint Kitts and Nevis	Vanuatu	Montserrat	Saint Vincent and the Grenadines
				Former Yugoslav Republic of Macedonia			Sint Maarten
				Lebanon			

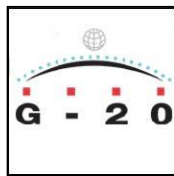
- ☐ Phase 1 review
- ☐ Phase 2 review
- ☐ Combined

2012				2013				2014	
1 st Half		2 nd Half		1 st Half		2 nd Half		1 st Half	
Samoa	Turkey	Belgium	British Virgin Islands	Bahrain	Malaysia	Anguilla	Andorra	Belize	Czech Republic
Argentina	Portugal	Bermuda	Austria	Estonia	Samoa	Antigua and Barbuda	Botswana	Dominica	Gibraltar
Belize	Finland	Cayman Islands	Hong Kong, China	Jamaica	Slovak Republic	Chile	Ghana	Marshall Islands	Hungary
Dominica	Sweden	Cyprus	India	Philippines	Slovenia	Former Yugoslav Republic of Macedonia	Grenada	Nauru	Curaçao
Israel	Iceland	Guernsey	Liechtenstein	Argentina	U.S. Virgin Islands	Costa Rica	Israel	Niue	Poland
Marshall Islands	Slovenia	Malta	Luxembourg	Turks and Caicos	Vanuatu	Guatemala	Liberia	Saudi Arabia	Sint Maarten
Nauru		Qatar	Monaco	United Arab Emirates	Indonesia	Korea	Russian Federation	Cook Islands	El Salvador
Niue	Phase 2	San Marino	Panama	Barbados	Colombia	Mexico	Saint Kitts and Nevis	Portugal	Mauritania
Poland	Brazil	Singapore	Switzerland	Brunei	Georgia	Montserrat	Saint Lucia	Uruguay	Morocco
U.S. Virgin Islands	Seychelles	The Bahamas		Macao, China	Nigeria	Trinidad and Tobago	Saint Vincent and the Grenadines	Aruba	
				Kenya			Lebanon		

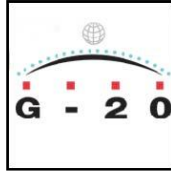
☐ Phase 1 review
☐ Phase 2 review
☐ Combined

PART III

REPORT TO THE G20: WORKING WITH DEVELOPING COUNTRIES



PART III. REPORT TO THE G20: WORKING WITH DEVELOPING COUNTRIES



At their Seoul Summit in November 2010, the G20 Leaders developed the G20 Multi-Year Action Plan on Development. This plan, designed to ensure inclusive and sustainable economic growth in developing countries and low income countries, includes a pillar (Pillar 8) on Domestic Resource Mobilization. In this context, the Global Forum was asked by the G20 “to enhance its work to counter the erosion of developing countries’ tax bases and, in particular, to highlight in its report the relationship between the work on non-cooperative jurisdiction[s] and development” and to report the results at their November 2011 Summit.

The report was adopted by the Global Forum in September and then submitted to the G20 Leaders at their Cannes Summit in November 2011. It is hereafter included in its entirety.

REPORT OF THE GLOBAL FORUM TO THE G20

ACTION 2: SUPPORT WORK TO PREVENT EROSION OF DOMESTIC TAX REVENUES

We ask the Global Forum to enhance its work to counter the erosion of developing countries' tax bases and, in particular, to highlight in its report the relationship between the work on non-cooperative jurisdiction[s] and development. (*Medium-term*)

The results will be reported at the Summit in France. (*November 2011*)

A. INTRODUCTION

The erosion of developing countries'¹¹ tax bases is a threat to development and to reaching the Millennium Development Goals (MDGs). Better compliance can result in more resources, while improving transparency in tax systems can improve governance.

In April 2009 the G20 Leaders, in their Declaration on Strengthening the Financial System, stated: "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." In November 2010 the G20 specifically linked this topic to the Global Forum through Action 2 of Pillar 8 in the G20 Seoul Multi-Year Action Plan on Development (see above). There is a close link with the Action 1 of Pillar 8 (see Annex 1). Action 1 focuses on the laying of a broader framework for a comprehensive tax system, the building of a strong tax administration, the development of policies/processes and systems and the development of domestic capacity. The work of the Global Forum builds on this foundation to ensure that a country first has the legislative framework in place to gather information for purposes of the efficient and effective collection of its taxes domestically and secondly to enhance transparency and exchange of information with other tax authorities in the broader sense to stop and reduce tax leakage. In this context, transparency is understood as ensuring the availability of ownership, accounting and banking information as well as the access to this information by the (tax) authorities. The world has become a smaller place and through cooperation and exchange of information it becomes more and more difficult to hide income and evade tax.

The new transparent tax environment

2009 was a significant year for tax cooperation and exchange of information. All identified jurisdictions, including key financial centres, committed themselves to implement the internationally agreed standard on transparency and exchange of information leading to a level

¹¹ As defined by relevant international organisations.

playing field which allows for effective tax cooperation in a new context with the restructured Global Forum placing all of its members on an equal footing.

The standard provides for information exchange on request, where the information is foreseeably relevant to the assessment of the taxes of the requesting party, including bank information and regardless of a domestic tax interest.¹²

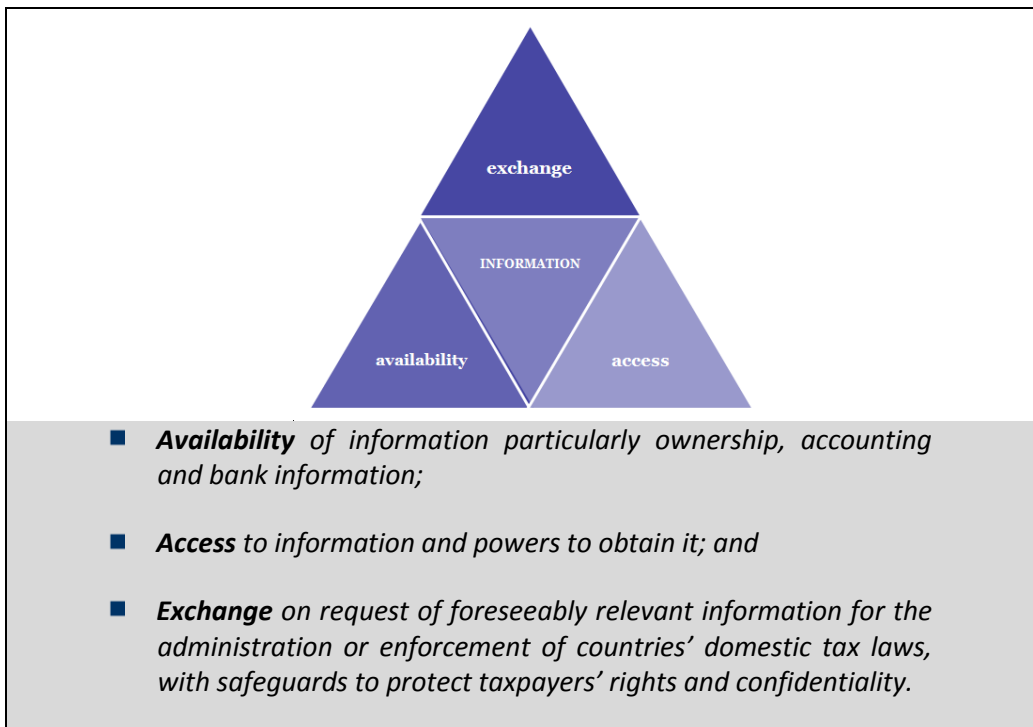
2010 was the year of implementation. The level playing field works. In total, more than 600 agreements (TIEAs and DTCs) have been signed which are up to the internationally agreed standard. The Global Forum initiated in-depth peer reviews (34 peer review reports already adopted and more than 60 reports will be completed by November (all reports are available at www.oecd.org/tax/transparency). These reviews will, among other things, assess the effectiveness of the agreements that have been signed.

What can the Global Forum do for developing countries?

Developing countries are not a homogenous group and are faced with complex challenges, including in connection with tax administration, which if not addressed could lead to the erosion of their tax bases. A weak tax administration is especially at risk and faces a number of challenges: lack of capacity to promote the improvement and enforcement of their legal, regulatory, administrative and/or procedural frameworks, incoherent tax policy both at the domestic and international levels, lack of political support to prevent corruption and money laundering, etc.

The internationally agreed standard: Exchange of information (EOI) is the visible tip of the iceberg. EOI is only possible if information is available and accessible. This can also be useful to developing countries as shown in the “EOI triangle”.

¹² The standard is spelled out in the Terms of Reference of the Global Forum which can be found in Annex 2.



This report:

- Describes how the work of the Global Forum may contribute to counteracting the erosion of developing countries' tax base;
- Explains why developing countries, including some least developed countries (LDCs), should consider joining the Global Forum;
- Describes potential benefits for developing countries;

Identifies the actions which should be taken to enhance developing countries' domestic resource mobilisation in relation to the GF's work.

B. DEVELOPING COUNTRIES AND EROSION OF DOMESTIC TAX REVENUES

External tax evasion may be only one aspect of the erosion of tax bases

The erosion of developing countries' domestic tax bases may be due to domestic or external causes:

Non-compliance through the use of structures anchored in other countries may undermine the domestic tax base of a jurisdiction (Kenya has mentioned “abusive” transfer prices as an issue of concern which could not be dealt with properly without proper exchange of information)¹³. Tax evasion schemes may rely on lack of transparency and EOI. Although most developing countries already have DTCs with an exchange of information provision, there is still a lot of room for developing countries to conclude TIEAs.

Tax evasion using foreign jurisdictions is not necessarily the only or primary cause of tax base erosion problems facing developing countries.

→ Effective exchange of information mechanisms need to be in place. Developing countries should not be left on the sidelines in the new transparent environment

Besides external non-compliance, the erosion of tax bases is also due to a number of domestic factors (see report to the G20 on action 1; in particular lack of capacity, poor tax policies, etc.). It should be borne in mind that transparency in itself needs to be accompanied by a robust tax regime and political support, but *transparency can be an important means to ensure better domestic compliance*. Some aspects of the “domestic” erosion of tax bases relate to the work of the Global Forum (see the “EOI triangle”): developing countries’ legal and regulatory framework may be defective in terms of access to the information by tax administrations, leading to a loss of tax revenues (both domestic and international).

→ Transparency is a far broader concept than exchange of information and can have a positive influence on the business environment (this will also be addressed in Chapter 2 of Action 1 report).

Increased globalisation has seen the creation of international financial centres in a number of both developed and developing countries. This trend has been noted by the Global Forum which has invited these countries to join its work: that has recently been the case of Botswana and Ghana, for instance. Increased globalisation has led to all jurisdictions being increasingly interconnected. Notwithstanding the complexity of the issue, transparency and effective exchange of information almost always have a role to play in addressing the primary factors behind the erosion of domestic tax revenues in developing countries, whether these stem from external or domestic non compliance. Improved transparency makes life more difficult for non-compliers both domestically and externally and thus enhances the integrity and credibility of the tax system.

¹³

Action 1 report includes a chapter on transfer pricing.

Example of countries having recently joined the Global Forum

Jamaica is an example of a country that has taken steps to establish a new international financial centre and has joined the Global Forum partly to ensure that the framework within which such an international financial centre would operate is consistent with the international standard. At the same time, Jamaica is concerned about the erosion of its own tax base, *e.g.* by questionable transfer pricing practices and from this perspective it is committed to implement the Global Forum's standards in order to protect its own tax base.

Ghana was identified as a country of relevance because it was developing an international financial centre, but is also a developing country. Ghana has been peer reviewed and decided to dismantle its international financial centre regime and to join the Global Forum to be in a better position to have access to the EOI network.

Kenya joined the Global Forum to enhance its capacity to protect its tax base by improving its access to information on the international activities of companies operating in Kenya following a number of high profile transfer pricing cases there. These involved entities in all kinds of jurisdictions.

In the global environment, a global tool is more necessary than ever.

C. AN INCLUSIVE GLOBAL FORUM

A genuinely global instrument with all countries on an equal footing

In the Global Forum all jurisdictions are on an equal footing. Decisions are made on a consensus basis. The Global Forum has a 3-year mandate and is self funded (part II programme of the OECD budget). Its governance reflects membership with a Steering Group of 15 members, a Peer Review Group of 30 members, all serviced by a self-standing dedicated Secretariat (more than 20 full-time administrators). Currently, more than 100 jurisdictions are members and this number continues to grow.

This structure is highly accessible to developing countries. In order to become members countries are required to: (i) commit to implementing the international standard on transparency and exchange of information, (ii) agree to undergo a peer review process, and (iii) contribute to the budget.¹⁴

¹⁴ Membership contributions are set on a sliding scale according to the jurisdiction's gross national product, with a minimum of EUR 15 100.

The Global Forum very quickly put into place its constitutional framework following its restructuring in Mexico in 2009 and has carried out its peer review process efficiently and with consistent quality results. The Global Forum's success is due in large part to its inclusive structure and the active participation of its large and diverse membership.

Levelling the playing field

From the early 2000s, efforts have been focused on levelling the playing field, involving non-OECD as well as OECD member jurisdictions. Since 2009, the playing field has been levelled with all members committed to implementing the internationally agreed standards. The GF is tasked to ensure that all members implement the same rules and that no single jurisdiction benefits from not being a member. It has already identified a number of jurisdictions of "relevance" which have been invited to join. Whether they join the Global Forum or not they are scheduled to be assessed in the context of a peer review in the immediate future to ascertain the risk they represent.

Some countries without financial centres have also expressed interest in joining the Global Forum in order to benefit from the new environment. At its Singapore meeting, the Global Forum had to decide on the review schedule for such countries and it was decided that a late schedule would be more appropriate so that the review could be used by them as a tool to prepare them to exchange information rather than as a more immediate peer pressure mechanism.

Even though all countries are on an equal footing, the GF has already acknowledged that different timing for scheduling reviews will apply depending on the profile of its new members: the countries of relevance (which are to be closely monitored immediately) and the countries joining the Forum to benefit from the new environment.

This scheduling policy could be promoted more clearly. The Global Forum approaches developing countries to join in order to help them implement the standards and for them to benefit from the Global Forum membership, and not because they are identified as jurisdictions of "relevance" (unless they are identified as such).

Gathering all the players through a large observership

Many international organisations are already observers to the Global Forum. Interestingly, this is the case for a number of players in the development area (UN, World Bank, IMF, EIB and EBRD).

Some members of the Global Forum have advised that more (regional) development banks should be invited as observers.

Observer status is limited to international organisations and is not open to jurisdictions. However, ATAF is a good example of a grouping of countries which has observer status while some of its members are also members of the Global Forum while others are not (yet) members. Regional groupings may share the Global Forum's experience with countries not yet ready to adhere to the Global Forum for different reasons, for instance because they are too fragile.

Observers such as the international organisations and regional development banks may also have an important role to play in helping developing countries adopt and implement the international standards on information exchange including possible involvement in the provision of technical assistance.

Partnership between the Global Forum and regional groupings has proven to be effective: a regional training seminar held in the Caribbean was co-sponsored by CARICOM and the IDB, with a number of non GF members attending. Also, a regional training seminar was held in South Africa, co-sponsored by ATAF and the World Bank, with many ATAF members (both GF and non GF members) attending.

D. HOW THE GLOBAL FORUM CAN ENHANCE ITS WORK TO ASSIST DEVELOPING COUNTRIES TO IMPROVE TAX TRANSPARENCY AND COUNTER EXTERNAL NON-COMPLIANCE

I. Providing EOI instruments

Like developed countries, developing countries must have access to information exchange as full members of the international community. As acknowledged notably by the action 1 report, they lack resources to do so and need assistance.

- The Global Forum can provide them **with a direct access to all the key players** at Global Forum meetings as well as through the Global Forum communication instruments (secure website, EOI Portal) in order for them to negotiate bilateral agreements (Double Tax Conventions or Tax Information Exchange Agreements). As peers, the developing countries would be in a position to apply peer pressure in appropriate cases via the GF if they are declined agreements when requested.

However, bilateral negotiations can be time consuming and can require resources which may not be available. The experiment of multilateral negotiation of bilateral agreements has proven efficient for small jurisdictions as well as developed countries. The negotiation is done by the Secretariat (or a member of the Forum) which initials the agreements which are afterwards signed bilaterally by the Parties. For example, the Global Forum Secretariat currently coordinates negotiations for Kenya with several jurisdictions.

- The Global Forum should enhance the **multilateral negotiation of bilateral tax information exchange agreements** for the benefits of both interested developing countries and other jurisdictions.

Bilateral agreements can also be complemented by multilateral agreements. In response to the G20, the Multilateral Convention on Mutual Assistance in Tax Matters, developed under the auspices of the OECD and the Council of Europe, has been amended and made into a self-standing instrument which is now open to all countries. This instrument provides for all forms of EOI and all forms of assistance in international tax cooperation including assistance in collection of taxes, which go beyond the standard. If a jurisdiction is not ready to fully meet all of the obligations of the Convention it can, by noting certain reservations, choose not to opt in to certain provisions. Notwithstanding the reservations, the mandatory provisions of the convention exceed the international standard for EOI on request.

- The Coordinating Body of the Multilateral Convention has indicated an interest in having appropriate developing countries join this Convention, subject to them meeting the criteria (in particular having proper confidentiality rules). The Global Forum peer review process can **assist the Coordinating Body in determining whether jurisdictions have proper confidentiality rules and otherwise are prepared to participate as Parties to the Multilateral Convention**, as well as **assisting developing countries who want to join the Convention** to reach their desired goal.

There are already a number of regional tax agreements which provide for exchange of information among other things. Some of these instruments were developed before the standard was established. As a consequence they do not necessarily meet the EOI standards. As trade between developing countries is growing, these instruments can be useful tools to ensure better “regional” compliance. Parties to these instruments may wish to see these instruments updated.

- Where desired by the parties to the agreement, **regional multilateral instruments can be updated and brought up to the standard**. The Global Forum can work with regional groups and other relevant organisations to assist in this process.

ACTIONS

Facilitating bilateral negotiations.

Putting in place a multilateral negotiation of bilateral agreements for all interested parties.

Promoting multilateral instruments and assisting in upgrading regional multilateral instruments when desired by the parties to those existing regional agreements.

II. Transparency as a tool to counteract domestic tax base erosion

By becoming Global Forum members, developing countries become part of a global community and can draw on unique expertise in transparency.

All members of the Global Forum are subject to a two phase peer review during which the internationally agreed standard of transparency and exchange of information is assessed. For the purposes of the review the standard is subdivided into 10 essential elements (see Annex 2). Phase 1 reviews focus on whether a jurisdiction has the legal and regulatory framework in place to implement the standard (are all of the 10 elements there?), and Phase 2 focuses on the practical implementation of the standards (does the system work in practice?). Peer reviews are undertaken on the basis of an agreed methodology and assessment criteria (see Annex 3).

A peer review is a unique opportunity to examine the jurisdiction's legal and regulatory framework. If a jurisdiction is scheduled for a peer review a number of years after it joins the Global Forum, the preparation for the peer review focuses the jurisdictions on the identification of any deficiencies in their existing legal framework and creates an external incentive for the implementation of appropriate improvements.

- ***The combination of a late review and efficient technical assistance in the preparation of the review will allow developing countries to improve their legal and regulatory framework to enable information exchange (as a requested and a requesting party).***

The Phase 2 peer reviews of all jurisdictions can also be of value for developing countries, as it is an opportunity for them to provide feedback on how their information requests have been dealt with. The Global Forum could more actively solicit such feedback from developing countries as part of the Phase 2 process. This would also assist in improving the developing countries' understanding on what an information request should look like to be effective, as there may be a lack of experience on that point.

Information is crucial to the proper administration of all tax systems. The flow of information from national and international sources enables tax authorities to enforce their own laws and to target those taxpayers whose affairs should properly be investigated. For information to be used effectively three requirements must be met. These are:

- **Availability** of information particularly accounting bank and ownership information;
- **Access** to information and powers to obtain it; and
- **Exchange** on request for the administration or enforcement of other countries' domestic tax laws, with safeguards to protect taxpayers' rights and confidentiality.

Availability of information, access to information and exchange of information make up the three building blocks of the transparency and exchange of information triangle. Exchange of information is at the top of the triangle but the foundations are built around the other two blocks: "access" and "availability".

- Availability of information: If the legal, regulatory, administrative and/or procedural frameworks are deficient, information that is relevant for domestic tax purposes or for exchange may not be available because it is not required to be developed and/or not required to be kept.
- Access to information: If powers to access information are deficient, information that may be available cannot be obtained for domestic tax or cross-border exchange purposes.

A large part of the Global Forum's work is aimed at ensuring that information (ownership, accounting and bank) is available in respect of all relevant entities and activities and that tax authorities have access to it, recognising that all powers are subject to restraints to protect taxpayer rights. This information serves not only for the purpose of complying with obligations under exchange of information arrangements but more fundamentally to support the domestic tax frameworks of Global Forum members.

- *Developing countries may benefit more from implementing the international standard domestically, because their legal and administrative frameworks to ensure access to and availability of information may not be well established or developed. In complying with the international standard, developing countries may also wish to consider domestic matters that are not necessarily required by the standard, for example lifting bank secrecy provisions not only for exchange of information purposes, but also for domestic tax purpose.*

Improving transparency for tax purposes will also assist the fight against corruption and money laundering. This coincides, for example, with the Financial Action Task Force moving towards having tax evasion as a predicate offence for money laundering. Another example would be that where officials are no longer able to hide their money and avoid taxation of illicitly earned funds, the incentive for corruption may be lower. The GF work is thus interconnected with other multilateral activities targeted to fighting illicit financial flows.

ACTIONS

Schedule the reviews of developing countries at an appropriate time to allow them to prepare for their reviews and provide them with appropriate technical assistance, in coordination with relevant international organisations.

Developing countries will then be able to benefit from the Global Forum's expertise on the international standard to enhance transparency for domestic tax purposes, strengthen their tax administration and address domestic tax evasion.

III. Unique platform to facilitate coordination of technical assistance in the area of transparency and EOI

The Global Forum has already put in place a number of regional training seminars to raise the awareness of its work in the different regions. Members as well as non members were present at the regional training seminars in the Caribbean (hosted by Jamaica), the Pacific (hosted by Australia) and Africa (hosted by South Africa).

These seminars have allowed for identifying technical assistance (TA) needs from both financial centres and developing countries. Action has already been taken with a drafting seminar held in Jamaica in May in order to help jurisdictions drafting legislation to address deficiencies.

Technical assistance needs are often significant, in particular after a jurisdiction has been reviewed: a joint GF/WB mission to Botswana has been established in order to help Botswana follow up on its report.

Technical assistance may be needed either before a review (especially if a developing country is scheduled late) or after a report is adopted.

The wide-ranging membership of the Global Forum and the Global Forum's specific expertise in transparency and exchange of information makes it a unique potential TA provider and the platform to coordinate technical assistance in this area. The Global Forum can be the platform to:

- Identify the needs of developing countries: through regional seminars (see Annex 4 and especially during peer reviews which will identify any gaps in a country's legal framework and difficulties in filling the gaps.
- Identify all stakeholders and donors: other international organisations (WB, IMF, ATAF, CIAT, etc.) and bilateral donors. Most of these will already be members of the Global Forum or observers.
- Match demand and supply among the stakeholders, donors and developing countries. This can be done by linking what other international organisations and Global Forum member countries could offer with the needs of developing countries.
- Work with other international organisations to provide assistance in appropriate cases. The Global Forum Secretariat already has a very successful experience in working with the World Bank to deliver assistance to some developing countries (see Annex 4).

The type of technical assistance needed by developing countries varies. Fragile states and low-income countries may need more general assistance in order to improve their domestic, legal, regulatory and institutional frameworks to implement the standard, whereas middle-income countries are usually more developed and may need more specific assistance, sometimes targeted at issues narrowly related to exchange of information. Whatever TA is provided, it should not be a substitute resource, but to enhance the developing country's own resources.

Since resources among potential TA donors are also limited, a mechanism to identify priorities needs to be developed. One possibility would be to give priority to developing countries with a substantial amount of international transactions which may impact on their tax revenues. These jurisdictions may be more susceptible to international tax evasion and in that context it would be more relevant for them to benefit from assistance associated with tax information exchange. It may, however, be expected that developing countries with less cross-border activity are in greater need of assistance on the availability of and access to information, as that is also of importance for domestic purposes. A clear needs assessment, which is being conducted through regional seminars (see Annex 4) is necessary to finalise prioritisation.

ACTIONS

Ensure that all relevant international organisations become observers to the Global Forum to mobilise TA potentialities.

Use the Global Forum as the platform to facilitate coordination of technical assistance in the areas covered by the Global Forum with:

- mapping the needs for TA from developing countries (current GF members and countries interested in joining)
- Offering a platform for the delivery of technical assistance with all relevant TA providers.
- Providing annual reporting on the actions taken.

E. BENEFITS

Overall, the benefits for developing countries could be summarised as follows:

- Technical assistance to:
 - enhance their expertise and capacities to build and improve their legislative frameworks to obtain and exchange information;
 - improve the availability of and access to information domestically to ensure proper and full disclosure to secure the efficient and effective collection of domestic taxes and duties;
 - enhance capacity building around EOI in the form of skills transfer in the art of negotiation of international treaties, training and technical assistance around the interpretation and application of treaties and advice around the establishment of EOI divisions;
- The Global Forum will facilitate the negotiation of agreements between member countries;
- Membership of the GF will assist developing countries whose requests to fellow countries for the negotiation and signature of treaties are denied through a mechanism to apply peer pressure in appropriate cases, and will strengthen obligations arising from the membership of the Forum, such as the exchange of information.

F. PROPOSED ACTIONS

The Global Forum has enhanced its work towards developing countries resulting in the following actions taken:

Message to G20	Action
Transparency (and EOI) in itself needs to be accompanied by, among other things, a robust tax regime and political support.	<ul style="list-style-type: none"> ■ Coordination with Action 1 is needed to clearly determine the work of the Global Forum in Pillar 8 and to avoid duplication and gaps.
A clear policy has been adopted to approach developing countries wishing to take part in the Global Forum process in a cooperative way in order to assist them in improving and benefitting from a more transparent tax information exchange environment internationally, which has been spearheaded by the Global Forum following a G20 mandate. A clear and consistent peer review scheduling policy has been adopted to encourage developing countries to participate and benefit from the peer review process. Developing countries can draw on the Global Forum's expertise on the international standard to enhance transparency for domestic tax purposes, strengthen their tax administration and address domestic tax evasion.	<ul style="list-style-type: none"> ■ Schedule the reviews of developing countries at an appropriate time to allow them to prepare for their reviews and provide them with appropriate technical assistance, in coordination with relevant international organisations ■ Developing countries will then be able to benefit from the Global Forum's expertise on the international standard to enhance transparency for domestic tax purposes, strengthen their domestic tax administration and address domestic tax evasion
More international organisations, in particular regional economic unions and regional development banks, are being invited to become observers to the Global Forum to better coordinate efforts in approaching and assisting developing countries. The Global Forum's work on exchange of information has a clear role to play in	<ul style="list-style-type: none"> ■ Ensure that all relevant international organisations become observers to the Global Forum to mobilise TA potentialities

addressing the factors behind the erosion of developing countries' tax bases.	
<p>The Global Forum is a place where supply and demand meet to conclude agreements that allow for exchange of information according to the international standard.</p> <p>The Global Forum provides developing countries the option of taking a multilateral approach to exchange of information mechanisms, which has the benefit of providing a significant number of partners at once while avoiding the cost of separate negotiations.</p>	<ul style="list-style-type: none"> ■ Facilitating bilateral negotiations
	<ul style="list-style-type: none"> ■ Putting in place a multilateral negotiation of bilateral agreements for all interested parties ■ Promoting multilateral instruments and assisting in upgrading regional multilateral instruments when desired by the parties to those existing regional agreements
The Global Forum should continue to undertake its role as a useful and appropriate platform for the coordination of technical assistance in the area of exchange of information.	<ul style="list-style-type: none"> ■ Use the Global Forum as the platform to facilitate coordination of technical assistance in the areas covered by the Global Forum with: <ul style="list-style-type: none"> - mapping the needs for TA from developing countries, current GF members and countries interested in joining - offering a platform for the delivery of technical assistance with all relevant TA providers - Providing annual reporting on the actions taken.

ANNEX 1

ACTION 1: SUPPORT THE DEVELOPMENT OF MORE EFFECTIVE TAX SYSTEMS

We ask the expanded OECD Task Force on Tax and Development, UN, IMF, World Bank and regional organisations such as the Inter-American Center for Tax Administration and African Tax Administration Forum and other relevant organisations to:

- Identify key capacity constraints faced by developing countries in their tax systems and make recommendations on capacity building to (i) improve efficiency and transparency of tax administrations and (ii) strengthen tax policies to broaden the tax base and combat tax avoidance and evasion (*June 2011*);
- Develop a knowledge management platform and promote South-South cooperation to support the capacity of developing countries in tax policy and administration systems (*Medium-term*);
- Survey and disseminate all G20 and international organizations' actions on supporting tax systems in developing countries (*June 2011*);
- Set up objective measures to track progress in the capacity improvement of LICs' tax administration systems (*June 2011*); and
- Identify ways to help developing countries' tax multinational enterprises (MNEs) through effective transfer pricing. (*June 2011*)
- The results will be reported at the Summit in France. (*November 2011*)

ANNEX 2

THE 10 ESSENTIAL ELEMENTS OF TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

A. AVAILABILITY OF INFORMATION

A.1. Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

A.2. Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

A.3. Banking information should be available for all account-holders.

B. ACCESS TO INFORMATION

B.1. Competent authorities should have the power to obtain and provide information that is the subject of a request under an EOI agreement from any person within their territorial jurisdiction who is in possession or control of such information.

B.2. The rights and safeguards that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

C. EXCHANGING INFORMATION

C.1. EOI mechanisms should provide for effective exchange of information.

C.2. The jurisdictions' network of information exchange mechanisms should cover all relevant partners.

C.3. The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received.

C.4. The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties.

C.5. The jurisdiction should provide information under its network of agreements in a timely manner.

ANNEX 3

THE METHODOLOGY AND ASSESSMENT CRITERIA

- Based on a two phase model, each of the Peer Reviews includes an assessment of the jurisdiction's legal and regulatory framework (Phase 1) as well as assessing the application of the standards in practice (Phase 2), against the 10 elements. Most jurisdictions commence with a Phase 1 review which is followed about 18-24 months later by a Phase 2 review. Combined Phase 1 and Phase 2 reviews are being undertaken in a limited number of cases.
- Reviews are undertaken by assessment teams which will prepare a report on the reviewed jurisdiction. Assessment teams will normally consist of two expert assessors who act in an independent capacity. One member of the Global Forum Secretariat is also appointed to coordinate each review.
- In addition to the information supplied to the assessment team by the jurisdiction itself, all Global Forum members are invited to provide input into the review process.
- Phase 1 reviews will include a determination of whether each element is "in place", "in place, but certain aspects of the legal implementation of the element need improvement", or "not in place". Phase 2 and combined reviews will include a rating as to whether the jurisdiction is "compliant", "largely compliant", "partially compliant", or "not compliant" with each of these elements in practice. In addition, an overall rating will be assigned. It will be necessary to complete Phase 2 reviews for a subset of jurisdictions representing a geographic and economic cross-section of the Global Forum before finalising ratings, in order to ensure that application of the ratings system is consistent across jurisdictions. This is because the ratings determination is likely to require some comparative perspective, without which early ratings may not be consistent

ANNEX 4

THE TRAINING SEMINARS

- The Global Forum has organised regional training seminars in the Caribbean / Central American Regions (Jamaica, 1-3 February 2011), the Asian / Pacific Regions (Australia, 15-17 March 2011) and African Region (South Africa, 7-9 June 2011) with the assistance of expert trainers from Global Forum member jurisdictions, the World Bank and other relevant international organisations such as the CARICOM, the EU and the IADB. The Caribbean and Asia Pacific seminars were very well attended and received.
- One of the aims of the seminars was to assist jurisdictions in assessing their needs for technical assistance in the area of transparency and exchange of information.
- Specific technical assistance needs identified were:
- Reviewing and drafting legislation in the areas of:
 - direct / indirect taxation;
 - regulatory framework (widening access powers, implementing EOI instruments, lifting secrecy provisions, etc.); and
 - accounting records.
- Restructuring tax departments with a view to setting up units to handle exchange of information requests (incoming and outgoing), and establishing procedures (manuals, guidelines).
- Capacity building by training legislative drafters on how to deal with exchange of information on the policy area and tax administration officers on how to handle exchange of information requests in practice.
- Expanding EOI network by facilitating bilateral and multilateral negotiations.
- Carrying on studies on the impact of tax evasion on local economy.
- Exchanging best practices with other jurisdictions of the region.
- As a result of these seminars the World Bank has already planned to provide assistance in the Caribbean region drawing from the outcomes of the seminar held in Jamaica.

ANNEXES



STATEMENT OF OUTCOMES: BERMUDA GLOBAL FORUM MEETING (31 MAY 1 JUNE 2011)

On 31 May and 1 June 2011, 227 delegates from 85 members and 9 international organisations and regional groups came together at the third meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) hosted by Bermuda (Annex 1 provides a list of participants at the meeting). They welcomed the remarkable progress since 2009 in implementing the standards on transparency and exchange of information for tax purposes through in-depth monitoring and peer reviews and speeding up the process of negotiating agreements. The Global Forum also began the process of extending its mandate beyond the initial three-year mandate.

Global Forum members remain strongly committed to implementing the internationally agreed standard. The adoption and publication of an additional nine peer review reports at the Bermuda meeting brought the number of reports adopted to 34. Many jurisdictions that have already been reviewed have taken action to address recommendations in their reports to address identified deficiencies. Progress is being closely monitored and there is regular reporting on the outcomes.

In response to the G20 request, the Global Forum discussed a draft report highlighting the relationship between the work on non-cooperative jurisdictions and development. Global Forum members recognised the positive impact and importance of the Global Forum's work on developing countries.

The Global Forum affirmed the importance of providing technical assistance related to transparency and exchange of information to developing countries and small jurisdictions so that they can benefit from the new transparent tax environment. The Global Forum also took note of the progress achieved on the multilateral negotiation of bilateral agreements and

acknowledged the updated Multilateral Convention on Mutual Administrative Assistance in Tax Matters as a useful instrument to promote effective tax co-operation.

I. Main outcomes

New members

The Global Forum welcomed four new members – Columbia, Georgia, Ghana and Nigeria. With its 101 jurisdictions, the Global Forum now comprises more than half of the world, with increasing interest from developing and emerging economies in its work. The rapid expansion of membership of the Global Forum, especially among developing countries, reaffirms the relevance of the Global Forum's work to developing countries and the potential benefits developing countries can derive from its work.

Progress in implementing the international standard

Peer reviews and follow-up

The Global Forum adopted and published an additional nine peer review reports (*i.e.* the combined reviews of France, Isle of Man, Italy, New Zealand and the United States, and the Phase 1 reviews of Hungary, the Philippines, Singapore and Switzerland), bringing the total number of published reports to 34. The work on peer review reports is progressing on schedule and the Global Forum is on track to adopt and publish 60 reports by the November G20 Summit.

In parallel with the progress on new review reports, several jurisdictions (Aruba, Belgium, Cayman Islands, Ghana, Germany, Guernsey, Ireland, Mauritius, Monaco, Panama, Qatar, San Marino and the Seychelles) reported on their progress in addressing the shortcomings identified in their peer review reports. Some jurisdictions (Barbados, Belgium, Cayman Islands, Qatar and San Marino) have formally requested follow-up reports to reflect the changes in their legal frameworks. This is concrete evidence of the impact that the Global Forum is having in terms of levelling the playing field internationally.

Enhancing co-operation among tax authorities

Several members have expressed the view that competent authorities should enhance their co-operation through the Global Forum and it was agreed to explore avenues to offer a platform for interested competent authorities to exchange on best practices and enhance their relationship. The Secretariat will prepare a proposal with a view to organising a meeting of competent authorities in 2012, and will consider whether this meeting should form part of the 2012 Global Forum.

Reporting to the G20

The Global Forum initiated a discussion on reporting to the G20 summarising the Global Forum's progress on its core activities relating to peer reviews and implementation of the internationally agreed standard. In particular, the report should highlight the good progress made in terms of the peer reviews, identify common issues that have been uncovered during the peer review process, and note the readiness of reviewed jurisdictions to take concrete steps to address the identified shortcomings in their regimes that impede transparency and effective exchange of information. The Global Forum decided to continue work on this draft report so that it includes the outcomes of the upcoming peer review reports and further reflection on increasing the effectiveness of international exchange of information in tax matters. The report to the G20 will be considered for adoption at the next meeting of the Global Forum.

The Global Forum took note of the G20 Leaders' call in Seoul for it to enhance its work to counter the erosion of developing countries' tax bases and to prepare a report highlighting the relationship between the work on non-cooperative jurisdictions and development. This is in the context of domestic resource mobilisation under action 2 of Pillar 8 of the G-20 Multi-Year Action Plan on Development.¹⁵ Delegates recognised the important impact of the Global Forum's work on development and approved the outline of the draft report that will be submitted to the G20.

Technical assistance

The Global Forum reaffirmed the importance of providing technical assistance related to transparency and exchange of information to developing countries and small jurisdictions as a means of ensuring that these jurisdictions benefit from the new transparent environment and also ensuring the implementation of the international standard on a global basis. A report was made on the results of regional seminars held in the Caribbean (with 21 participant jurisdictions) and the Asia/Pacific (with 17 participant jurisdictions), in conjunction with other International Organisations and regional groups (including the World Bank and CARICOM), with good responses from the recipients of such training. The Global Forum members were also informed that another related event is planned in South Africa this June for African countries, in conjunction with the World Bank and ATAF.

15. Action 2 of Pillar 8 of the Seoul Communiqué's annex tasks "the Global Forum to enhance its work to counter the erosion of developing countries' tax bases and, in particular, to highlight in its report the relationship between the work on non-cooperative jurisdiction[s] and development (Medium-term). The results will be reported at the Summit in France. (November 2011)".

The Global Forum recognised that the issue of technical assistance and co-operation will become more prominent as membership of developing countries increases and the Phase 2 reviews commence. In this context, it agreed to mandate the Steering Group to establish guidelines on the best way to conduct technical assistance, including pilot projects, in conjunction with relevant international organisations; and to continue its programme of regional training seminars, in conjunction with other international organisations and regional groups.

Multilateral approaches to information exchange

Some Global Forum members reported on their experience with multilateral negotiation of bilateral agreements and on the regional multilateral agreements in place in the African and Latin American regions. It was decided to strengthen this initiative so that interested Global Forum members could benefit from it. The Global Forum noted the usefulness of the multilateral instruments, for example the Convention for Mutual Assistance and Technical Cooperation among Central American Tax and Customs Administrations and the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Argentina, Brazil, Colombia, Costa Rica and South Africa indicated their interest in joining this Convention before the next G20 Summit in France in November 2011.

Budget

The Global Forum approved its 2010 Financial Report and adopted an amendment to its 2011 Budget in order to increase the budget without raising the contributions of existing members. A number of member jurisdictions also agreed to provide voluntary contributions for 2011 (*i.e.* Bermuda, Cayman Islands, France, India, Japan, Jersey, the Netherlands and Singapore).

II. Next steps

Following an initial discussion on extending its mandate beyond the initial three-year term, it agreed that it would decide on an extension in due time. Following a discussion of the factors that should be considered in clarifying the governance structure of the Global Forum it was decided to have the Steering Group prepare a proposal for putting in place a rotating mechanism to ensure the governance of the Global Forum is both stable and representative.

The Global Forum will continue its work on the peer reviews and follow-up reports as scheduled. It will also develop guidelines on co-ordinating and delivering technical assistance on transparency and exchange of information issues where such assistance is requested and appropriate.

The draft reports on the Global Forum's core activities, as well as its response to the G20 Leaders' call to enhance its work on development will be submitted to the G20 Finance Ministers and leaders for the November 2011 meetings.

The Global Forum decided to meet in October 2011 in France, and thanked the Bermudian government for its gracious hospitality.

ANNEX: LIST OF PARTICIPANTS AT GLOBAL FORUM MEETING

BERMUDA

31 MAY – 1 JUNE 2011

Andorra; Anguilla; Antigua and Barbuda; Argentina, Australia; Austria; The Bahamas; Barbados; Belgium; Bermuda; Botswana; Brazil; British Virgin Islands; Brunei Darussalam; Canada; Cayman Islands; Chile; Colombia; Cook Islands; Costa Rica; Curacao; Czech Republic; Denmark; Finland; France; Georgia; Germany; Ghana; Gibraltar; Guatemala; Guernsey; Hong Kong, China; India; Indonesia; Ireland; Isle of Man; Israel; Italy; Jamaica; Japan; Jersey; Kenya; Republic of Korea; Liberia; Liechtenstein; Luxembourg; Macao, China; Malaysia; Malta; Republic of the Marshall Islands; Mexico; Monaco; Montserrat; the Netherlands; New Zealand; Nigeria; Norway; Panama; the People's Republic of China; the Philippines; Poland; Portugal; Qatar; Russian Federation; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; San Marino; Sint Maarten; the Seychelles; Singapore; Slovak Republic; Slovenia; South Africa; Spain; Sweden; Switzerland; Turkey; Turks and Caicos; United Arab Emirates; United Kingdom; United States; Uruguay.

African Taxation Administration Forum (ATAF); Caribbean Community Secretariat (CARICOM); Commonwealth Secretariat; European Bank for Reconstruction and Development (EBRD); European Investment Bank (EIB); European Union; Inter-American Center of Tax Administrations (CIAT); International Monetary Fund (IMF) (together with Caribbean Regional Technical Assistance Centre (CARTAC); Organisation for Economic Co-operation and Development (OECD); United Nations (UN); World Bank.



STATEMENT OF OUTCOMES: PARIS GLOBAL FORUM MEETING (25-26 OCTOBER 2011)

On 25-26 October 2011, over 250 delegates from 84 jurisdictions and 9 international organisations and regional groups came together at the fourth meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) in Paris ([Annex 1](#) provides a list of participants). The Global Forum welcomed El Salvador, Mauritania, Morocco, and Trinidad and Tobago as new members, increasing the membership of the Global Forum to 105 jurisdictions.

8. The Global Forum adopted and published 13 peer review reports and 5 supplementary reports which are the latest results of its intensive peer review program. It also adopted a Progress Report which will be submitted to the G20 for its Summit in Cannes on 3-4 November. The Report discloses jurisdictions' quality of co-operation with the Forum, their level of compliance with the international standard on tax transparency, and highlights deficiencies in respect of the implementation of the standard. It shows unprecedented progress towards improving transparency and a high level of co-operation by Global Forum members. It also recognises that further progress needs to be made with action to be taken to address the recommendations made to the reviewed jurisdictions.

9. Responding to a call from the G20 Development Working Group, the Global Forum will serve as a platform to facilitate co-ordination of assistance to

support the effectiveness of information exchange provided to its members, in particular to developing jurisdictions. It also adopted guidelines on the best way to conduct technical assistance. Two pilot projects – with Ghana and Kenya – will test the usefulness of the guidelines.

10. The main outcomes of the meeting which were agreed by delegates are set out below.

Membership and Governance

11. The Global Forum welcomed four new members: El Salvador, Mauritania, Morocco and Trinidad and Tobago. With its 105 jurisdictions, the Global Forum is the largest tax group in the world, moving forward as one to ensure a global level playing field for transparency and exchange of information for tax purposes. The Global Forum took note of the commitments expressed by Latvia, Lithuania and Romania to join it in 2012 and the fact that Lebanon has recently engaged with the Global Forum. It is expected that a number of other countries from Asia and Africa will join in 2012. The Global Forum's engagement with relevant international and regional organisations has similarly deepened and it will now also engage with the World Customs Organisation.

12. At its meeting in Bermuda in May, the Global Forum requested its Steering Group to formulate a mechanism to ensure the governance of the Global Forum is both stable and representative of the membership. As a result, three new members were elected to the Steering Group – Kenya, Spain and the United Arab Emirates - and the meeting endorsed a proposal for a system of rotation to be implemented in 2013.

Reporting to the G20 on Progress with the Peer Reviews

13. The Global Forum adopted and published an additional 13 peer review reports (*i.e.* the combined reviews of Japan, Jersey, the Netherlands and Spain, and the Phase 1 reviews of Brunei, the Former Yugoslav Republic of Macedonia, Gibraltar, Hong Kong China, Indonesia, Macao China, Malaysia,

Uruguay and Vanuatu, bringing the total number of published reports to 59 (see [Annex 2](#) for a complete list of the jurisdictions whose reports have been published to date). A further 5 supplementary reports - for Mauritius, Monaco, San Marino, the Turks and Caicos Islands and the Virgin Islands (British) - were adopted and published as well. In addition, member jurisdictions reported on recent developments in their jurisdictions regarding exchange of information for tax purposes and had a useful discussion on the peer review process.

14. At their summit in Seoul in November 2010, the G20 Leaders invited the Global Forum to report on progress made with respect to international tax transparency. This week the Global Forum adopted a Progress Report that will be delivered to the G20 Leaders' meeting at their Summit in Cannes on 3-4 November 2011. Based on the outcomes of the 59 peer reviews and 7 supplementary reviews completed so far, the report identifies the quality of these jurisdictions' co-operation with the Global Forum, their level of compliance with the international standard on tax transparency, and highlights deficiencies in implementation of the standard. It shows a high level of co-operation by its members and unprecedented progress made towards improving transparency.

Technical Assistance

15. The G20 Leaders' Development Working Group (DWG) requested the Global Forum to "enhance its work to counter the erosion of developing countries' tax bases and, in particular, to highlight in its report the relationship between the work on non-cooperative jurisdictions and development". The Global Forum submitted an outline of its report to the DWG for discussion at its meeting in Cape Town, on 2 July, and the final report "Working with Developing Countries" was provided to the DWG in early September. The Global Forum heard an update on the G20 process related to developing countries and on the positive way in which the report from the Global Forum was received by the DWG. This report will be considered by the G20 at its Summit in Cannes on 3-4 November.

16. Representatives from DFID, the IMF, World Bank and the OECD Task Force on Tax and Development provided an update on co-operation with the Global Forum and the demand for technical assistance in relation to transparency and exchange of information. The Global Forum reaffirmed its commitment to serve as a platform to facilitate the co-ordination of technical assistance and the Steering Group will oversee a new mechanism to make sure that technical assistance requests are appropriately responded to.

17. The Global Forum welcomed the commencement of two important pilot projects, funded by the UK Department for International Development (DFID), under which it will facilitate the co-ordination of assistance to Ghana and Kenya to help them build capacity and reinforce the legal infrastructure necessary for tax transparency and international co-operation.

Global Forum Annual Report

18. The Global Forum adopted its 2011 Annual Report “Tax Transparency, 2011: Report on Progress” in a new format. This report provides an overview of the progress made by countries, as reflected in the peer review reports. It draws upon the extensive work undertaken to prepare detailed reports to the G20 on the Global Forum’s progress and on issues of relevance for developing countries. The Global Forum’s 2011 Annual Report will be published on 4 November, following the G20 Leaders’ summit.

Competent Authorities

19. Following the discussion at its previous meeting in Bermuda, Global Forum members decided to organise a meeting of competent authorities in charge of international exchange of information to enhance their co-operation through the Global Forum. It agreed that a meeting where competent authorities can exchange views on issues they have encountered and best practices would assist in ensuring effective exchange of information in practice. A meeting of competent authorities will be organised in conjunction with a Peer Review Group meeting in May 2012 in Paris. This dialogue may address ways to improve effectiveness of comprehensive exchange of information and include

discussion of experiences in obtaining past information and in using all forms of exchange of information.

Budget

14. An intermediate financial report for 2011 was considered and the Global Forum adopted a revised budget for 2012 which maintains members' contributions for 2012 at the same level as originally anticipated. A number of Global Forum members and observers are making voluntary financial contributions and assisting by seconding staff to the Global Forum Secretariat. India announced it will make a 300 000 euro voluntary contribution to the Global Forum and the Cayman Islands and Germany proposed to provide secondees to the Secretariat.

Next Steps

15. After hearing an update on the fulfilment of the current mandate and on work which remains to be done, the Global Forum began its consideration of the future direction of the work of the Global Forum. It was agreed that the focus now will be on successfully completing Phase 2 reviews to assess the implementation of the standard in practice. It was also agreed to extend the Global Forum's current mandate until the end of 2015, in order to allow for commitments to the expenditure of funds to be made beyond 2012 when the current mandate expires. A more substantive discussion and on the future direction of the work will occur in 2012.

16. The Global Forum agreed that its next meeting will take place in October 2012 and thanked the South African government for its kind offer to host that meeting.

**ANNEX 1: LIST OF PARTICIPANTS AT GLOBAL FORUM MEETING
PARIS, 25-26 OCTOBER 2011**

Andorra; Antigua and Barbuda; Argentina; Australia; Austria; The Bahamas; Bahrain; Barbados; Belgium; Bermuda; Brazil; Brunei Darussalam; Canada; the Cayman Islands; Chile; Colombia; Cook Islands; Costa Rica; Cyprus; the Czech Republic; Denmark; El Salvador; Estonia; Finland; France; Germany; Ghana; Gibraltar; Greece; Guernsey; Hong Kong, China; Hungary; India; Indonesia; Ireland; Isle of Man; Israel; Italy; Japan; Jersey; Kenya; the Republic of Korea; Liberia; Liechtenstein; Luxembourg; Macao, China; Malaysia; Malta; Marshall Islands; Mauritius; Mexico; Monaco; Morocco; the Netherlands; Nigeria; Norway; Panama; the People's Republic of China; the Philippines; Poland; Portugal; Qatar; the Russian Federation; Saint Kitts and Nevis; Samoa; San Marino; the Seychelles; Singapore; Sint Maarten; the Slovak Republic; Slovenia; South Africa; Spain; Sweden; Switzerland; Trinidad and Tobago; Turkey; the Turks and Caicos Islands; the United Arab Emirates; the United Kingdom; the United States; Uruguay; Vanuatu; the Virgin Islands (British).

African Tax Administration Forum (ATAF); European Commission (EC); European Investment Bank (EIB); Financial Action Task Force of South America (GAFISUD); Inter-American Center of Tax Administrations (CIAT); International Monetary Fund (IMF); Organisation for Economic Co-operation and Development (OECD); United Nations (UN); World Bank (together with the International Finance Corporation).

ANNEX 2: PEER REVIEW REPORTS ADOPTED AND PUBLISHED

Jurisdiction	Type of review	Publication date
Andorra	Phase 1	12 September 2011
Anguilla	Phase 1	12 September 2011
Antigua and Barbuda	Phase 1	12 September 2011
Aruba	Phase 1	14 April 2011
Australia	Combined (Phase 1 and Phase 2)	28 January 2011
Austria	Phase 1	12 September 2011
The Bahamas	Phase 1	14 April 2011
Bahrain	Phase 1	12 September 2011
Barbados	Phase 1	28 January 2011
Belgium	Phase 1	14 April 2011
	Supplementary	12 September 2011
Bermuda	Phase 1	30 September 2010
Botswana	Phase 1	30 September 2010
Brunei Darussalam	Phase 1	26 October 2011
Canada	Combined (Phase 1 and Phase 2)	14 April 2011
The Cayman Islands	Phase 1	30 September 2010
	Supplementary	12 September 2011
Curacao	Phase 1	12 September 2011
Denmark	Combined (Phase 1 and Phase 2)	28 January 2011
Estonia	Phase 1	14 April 2011
The Former Yugoslav Republic of Macedonia	Phase 1	26 October 2011
France	Combined (Phase 1 and Phase 2)	1 June 2011
Germany	Combined (Phase 1 and Phase 2)	14 April 2011

Jurisdiction	Type of review	Publication date
Ghana	Phase 1	14 April 2011
Gibraltar	Phase 1	26 October 2011
Guernsey	Phase 1	28 January 2011
Hong Kong, China	Phase 1	26 October 2011
Hungary	Phase 1	1 June 2011
India	Phase 1	30 September 2010
Indonesia	Phase 1	26 October 2011
Ireland	Combined (Phase 1 and Phase 2)	28 January 2011
The Isle of Man	Combined (Phase 1 and Phase 2)	1 June 2011
Italy	Combined (Phase 1 and Phase 2)	1 June 2011
Jamaica	Phase 1	30 September 2010
Japan	Combined (Phase 1 and Phase 2)	26 October 2011
Jersey	Combined (Phase 1 and Phase 2)	26 October 2011
Liechtenstein	Phase 1	12 September 2011
Luxembourg	Phase 1	12 September 2011
Macao, China	Phase 1	26 October 2011
Malaysia	Phase 1	26 October 2011
Mauritius	Combined (Phase 1 and Phase 2)	28 January 2011
	Supplementary	26 October 2011
Monaco	Phase 1	30 September 2010
	Supplementary	26 October 2011
The Netherlands	Combined (Phase 1 and Phase 2)	26 October 2011
New Zealand	Combined (Phase 1 and Phase 2)	1 June 2011
Norway	Combined (Phase 1 and Phase 2)	28 January 2011
Panama	Phase 1	30 September 2010
The Philippines	Phase 1	1 June 2011

Jurisdiction	Type of review	Publication date
Qatar	Phase 1	30 September 2010
Saint Kitts and Nevis	Phase 1	12 September 2011
San Marino	Phase 1	28 January 2011
	Supplementary	26 October 2011
The Seychelles	Phase 1	28 January 2011
Singapore	Phase 1	1 June 2011
Spain	Combined (Phase 1 and Phase 2)	26 October 2011
Switzerland	Phase 1	1 June 2011
Trinidad and Tobago	Phase 1	28 January 2011
The Turks and Caicos Islands	Phase 1	12 September 2011
	Supplementary	26 October 2011
The United Kingdom	Combined (Phase 1 and Phase 2)	12 September 2011
The United States	Combined (Phase 1 and Phase 2)	1 June 2011
Uruguay	Phase 1	26 October 2011
Vanuatu	Phase 1	26 October 2011
The Virgin Islands (British)	Phase 1	12 September 2011
	Supplementary	26 October 2011

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

The Global Forum has been publishing an annual assessment of its members' legal and regulatory framework since 2006 (the Annual Report). The last Annual Report, *Tax Co-operation 2010: Towards a Level Playing Field*, was published in September 2010. The Annual Report has been central to the Global Forum's work and member jurisdictions as well as other stakeholders relied on them as the leading source of information on the legal and regulatory framework for transparency and exchange of information in place around the world.

So far the Annual Reports have been a self-assessment exercise of each jurisdiction's frameworks based on categories developed in 2005. With the institution of the comprehensive and robust peer review program the focus of the Global Forum's work has shifted. Now, the reviews rely on a rigorous peer-based examination of a jurisdiction's frameworks, executed by assessment teams consisting of expert assessors.

The peer review of each jurisdiction leads to the publication of a report which includes a detailed analysis of that jurisdiction's legal and regulatory framework for transparency and exchange of information for tax purposes. These reports are separately published and can be easily accessed through the EOI Portal: www.eoi-tax.org. The EOI Portal contains all the latest information on the Global Forum member jurisdictions, including information on the peer reviews and any recommendations for improvements made, news on what actions have been taken to address deficiencies and comprehensive information jurisdiction's exchange of information agreements.

This ***Tax Transparency 2011 – Report on Progress*** publication includes:

- A brief introduction of the Global Forum and its Secretariat.
- The *Progress Report to the G20* giving an overview of the outcomes of the peer review reports published to date.
- The report to the G20 *Working with developing countries*, drafted in response to a call from the G20 for the Global Forum to enhance its work to counter the erosion of developing countries' tax bases.

Statements of outcomes of the two Global Forum meetings held in 2011 (in Bermuda and France).

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www.oecd.org/tax/transparency