

**STATEMENT ON THE AGREEMENT OF A COMMITMENT BETWEEN
THE BAHAMAS AND THE OECD**

BY

**THE MINISTER OF FINANCE
THE HON. SIR WILLIAM ALLEN**

The OECD has signaled its acceptance of The Bahamas' form of commitment on transparency and effective exchange of information on Friday, 15th March, bringing to an end months of intense negotiations on a mutually acceptable form of undertaking which fully recognises The Bahamas' right to protect its economic interest by conditioning The Bahamas' commitment to the application of a level playing field in relation to all jurisdictions with which The Bahamas is materially in competition in the provision of cross-border financial services.

I have today therefore formally submitted the Bahamas' commitment to the OECD in the form now agreed as acceptable.

This commitment represents a framework within which bilateral treaty negotiations may take place, provided that all OECD member and non-member countries and jurisdictions with which The Bahamas is materially in competition have, likewise, assumed obligations equivalent to those assumed by The Bahamas.

The Government of The Bahamas believes strongly that the success of this OECD initiative rests on the adherence to the principle of parity in the obligations assumed by all jurisdictions, OECD and non-OECD member countries in relation to standards and timelines in the move to greater

transparency and information exchange. Clearly, if this principle is not observed, financial services business will migrate from one financial services centre to another and the stated objectives of the OECD initiative will, thereby be defeated.

On that basis and with that understanding The Bahamas is participating in the process and is pleased to have concluded with the OECD a form of Commitment which meets our mutual interests. This also brings to a close speculation regarding the possible inclusion of The Bahamas on a list of non-cooperating tax havens.