

**Communication by  
Rt. Hon. Hubert A. Ingraham  
Prime Minister and Minister of Finance  
on  
Expansion of Network for International Tax  
Cooperation**

Mr. Speaker,

Over the past few weeks much has been reported in the financial and other media about the efforts of the governments that make up the Organization for Economic Co-operation and Development (OECD) to require greater standards of transparency and exchange of information between countries, most especially countries offering or providing financial services.

These efforts of the OECD have now received the support of the wider group of countries that make up the G-20.

Greater standards of transparency and exchange of information are evolving to become the international standards applicable to all countries.

Many countries have now indicated their adoption of the standards being required and soon to be applied by the OECD for transparency and exchange of information.

Countries signalling a willingness in applying these evolving standards include the European countries of Austria, Andorra, Belgium, Monaco, Switzerland, Luxembourg and Liechtenstein, and the Channel Islands-Jersey, Isle of Man and Guernsey. They also include Singapore, and in our region the Cayman Islands, the British Virgin Islands and Bermuda.

Mr. Speaker,

It has always been the position of my government that The Bahamas will be a responsible member of the

international community. It has always been the position of my Government that The Bahamas will be a responsible financial services centre. It has always been the position of my Government that The Bahamas will satisfy and comply with international standards for the conduct of business that are applicable to all financial centres whether they were in North America, Europe or other parts of the world. It has always been the position of my Government that The Bahamas would not permit its financial services centre to be used for “Harmful Financial Practices”.

It was as a result of this policy that my Government caused many laws to be enacted and amended in the late 1990s and in 2000 to give effect to new evolving international standards.

Mr. Speaker,

The Bahamas’ position on this issue of accepting international standards promoted by the OECD is a matter of public record. It was contained in the letter agreement with the OECD made on the 15<sup>th</sup> March, 2002, in the following terms:

Text of Letter

Mr. Speaker,

My Government is satisfied that much progress has been made toward the establishment of the “level playing field” which we sought in 2002. It is clear that the OECD standards of transparency and exchange of information are being accepted by OECD member countries and by those non-member jurisdictions which provide financial services similar to those provided in The Bahamas.

It is appropriate therefore that The Bahamas takes this opportunity, as the OECD and G-20 countries meet in

London, to reaffirm its commitments to international standards of transparency and exchange of information as accepted by and applied to all member countries of the OECD and to the majority of financial centres.

Mr. Speaker,

We have engaged in wide consultation with members of The Bahamas Financial Services Board (BFSB), the Association of International Banks and Trusts (AIBT) and the financial services industry generally. Following those discussions, we have today published a statement in the following terms:

*“The Commonwealth of The Bahamas notes significant recent progress towards the adoption of standards on tax transparency and information exchange set by the Organization for Economic Co-operation and Development. The Bahamas reaffirms its commitment recorded in a March 2002 agreement between The Bahamas and the OECD. The Bahamas recognizes significant advances in commitments to broader application of OECD standards of transparency. The Bahamas is ready to negotiate and conclude appropriate arrangements to accommodate these OECD standards.”*

It is the intention of the Government to enter into these negotiations as a matter of priority. There are a number of outstanding requests for The Bahamas to enter into agreements which provide for the exchange of information. Each request from each country will be considered on an individual basis.

25 March, 2009