

OECD SECRETARY-GENERAL REPORT TO THE G20 FINANCE MINISTERS

This report consists of two parts. Part I is the Progress Report to the G20 by the Global Forum on Transparency and Exchange of Information for Tax Purposes, in response to the G20 Finance Ministers request expressed in November 2012 and reiterated in February 2013. Part II is a report by the OECD on current tax work of relevance to tackle offshore tax evasion and tax avoidance.

INTRODUCTION

The G20 Leaders in Los Cabos commended the work of the Global Forum on Transparency and Exchange of Information and expressed their support for the OECD's work on base erosion and profit shifting (BEPS) – legal tax avoidance – and how it may skew the fairness of tax systems generally. Since then, the political pressure and public outcry over international tax evasion and the perceived unfairness of the international tax system has increased to levels not seen since the G20 called for increased transparency and exchange of information in 2008. The recent “offshore leaks” disclosures and other scandals are clear indications that more remains to be done to combat offshore tax evasion. But tax cheats are not the only ones in the spotlight. The very low effective tax rates that multinationals can achieve through international tax planning continues to raise serious concerns. Leaders, civil society and everyday taxpayers are renewing demands for greater transparency and action to tackle offshore tax evasion as well as changes to the international tax rules to restore fairness and integrity of their tax systems and the global financial system more generally. The message is clear: all taxpayers must pay their fair share.

The OECD is spearheading three initiatives that are aimed directly at this objective:

- The Global Forum on Transparency and Exchange of Information for Tax Purposes is moving ahead quickly with its peer reviews and is well into its examination of effectiveness – unambiguous ratings for as many as 50 jurisdictions will be published later this year.
- The OECD is strengthening its efforts to increase international cooperation, and in particular is working to improve the effectiveness of automatic exchange of information.
- The OECD's work on Base Erosion and Profit Shifting (BEPS) aims to bring the international tax rules into the 21st century. In line with the report presented to G20 Finance Ministers in February 2012, the OECD is actively working to develop an action plan to respond to BEPS. The action plan will be delivered to G20 Finance Ministers in July 2013 and will set out a roadmap and process for further work.

The following report contains two parts. Part I is the Global Forum's report on the progress it is making and the next steps. Once again, the Global Forum is producing concrete results on the transparency landscape. This work is having an impact: jurisdictions are implementing the standards by changing both their legal frameworks and their practices. Part II describes the efforts by the OECD to promote all forms of international cooperation via the multilateral Convention on Mutual Administrative Assistance in Tax Matters, improve automatic exchange of information and provides a status report on BEPS. All of these initiatives support governments' efforts to restore trust in their tax systems by setting the standards and providing the instruments to combat tax evasion, improve tax compliance and ensure the fairness of their tax systems in an environment where the transparency of corporate vehicles, which spans not only tax, but also efforts to combat corruption and money-laundering, is increasingly central to a host of policy discussions. The OECD stands ready to take forward your agenda in addressing the problems of tax evasion and avoidance.

I would be happy to discuss any of these issues further when we meet in Washington, D.C.

THE REPORT TO THE G20 HEADS OF GOVERNMENT - PART I

**Global Forum on Transparency and Exchange of
Information for Tax Purposes**

**Progress Report to the G20 Finance Ministers and
Central Bank Governors: Global Forum Update on
Effectiveness and Ongoing Monitoring**

REPORT TO THE G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS: GLOBAL FORUM UPDATE ON EFFECTIVENESS AND ONGOING MONITORING¹

EXECUTIVE SUMMARY

In November 2012, the G20 Finance Ministers and Central Bank Governors asked the Global Forum to report on the effectiveness of information exchange practices by April 2013 and in February 2013 reiterated this call and encouraged the Global Forum to continue to make rapid progress in assessing and monitoring on a continuous basis the implementation of the international standard on information exchange (see Annex 1 for the text of the G20 Communiqués). **This report provides an assessment of the Global Forum's work so far on assessing information exchange practices** and describes the next steps for the Global Forum, notably the completion of the Phase 2 reviews and the assignment of ratings.

The Global Forum has now completed 100 peer review reports. The reviews of jurisdictions laws' have been completed for the vast majority of member jurisdictions and the focus is now moving to the review of practice, where reviews have been completed for 30 Global Forum members. Since the Global Forum responded to the G20's call to ensure a rapid implementation of the international standard of transparency and exchange of information in 2009, it has completed 100 peer reviews and issued over 600 recommendations for improvement, more than 300 of which are already being acted upon. The number of jurisdictions that have committed to implement the standard and have joined the Global Forum has grown to 119 and around 1 100 new EOI relationships to the standard have been put in place. These results show that the Global Forum's work is leading to greatly improved transparency, wider exchange of information networks, and upgraded legal frameworks.

Ultimately the real test of whether the Global Forum has achieved its goal is whether it has improved transparency and made exchange of information more effective in practice. A key output of the reviews of practice is the assignment of a rating both for a jurisdiction's compliance with each element of the Global Forum's *Terms of Reference* as well as an overall rating. The issuance of an overall rating will best achieve both the recognition of progress by jurisdictions toward a level playing field and the identification of jurisdictions that are not in step with the international consensus. It is expected that the first ratings (for as many as 50 jurisdictions) will be finalised by the Global Forum at its plenary meeting in November 2013. The Global Forum looks forward to reporting back to the G20 after completion of the initial ratings exercise.

The delivery of overall ratings will be a watershed moment in the Global Forum's evolution, as it represents the completion of its original mandate, while at the same time setting the bar for its future work. Indeed, as the reviews are being completed and the ratings exercise undertaken, the Global Forum has started reflecting on its future beyond its current mandate, which extends to the end of 2015. Global Forum members are united in seeing the Global Forum play an important role beyond the Phase 2 reviews and the current mandate. Thus, the ratings exercise should be seen as one component of an ongoing process for which the support of the G20 is key.

¹ 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

Introduction

1. The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) was profoundly restructured in 2009 following a call from the G20 to ensure a rapid implementation of the standards through the establishment of a rigorous and comprehensive peer review process. The Global Forum reported the findings of its first 79 Peer Reviews to the G20 Leaders at their June 2012 Los Cabos Summit. That report conveyed to the G20 Leaders the progress made since their November 2011 Cannes Summit, showing a high level of co-operation among members and the actions taken by jurisdictions to tackle the deficiencies identified, resulting in a good level of compliance with the internationally agreed standard. The report also identified room for further improvements and the need to assess that effective exchange of information is implemented. In their Communiqué, the G20 leaders commended the progress made and urged all jurisdictions, particularly those which did not qualify for a Phase 2 review, to take the necessary actions to tackle the deficiencies identified.

2. In November 2012, the G20 Finance Ministers and Central Bank Governors asked the Global Forum to report on the effectiveness of information exchange practices by April 2013 and in February 2013 reiterated this call and encouraged the Global Forum to continue to make rapid progress in assessing and monitoring on a continuous basis the implementation of the international standard on information exchange. **This report provides an assessment of the Global Forum's work so far on assessing information exchange practices** and describes the next steps for the Global Forum, notably the completion of the Phase 2 reviews and the assignment of ratings.

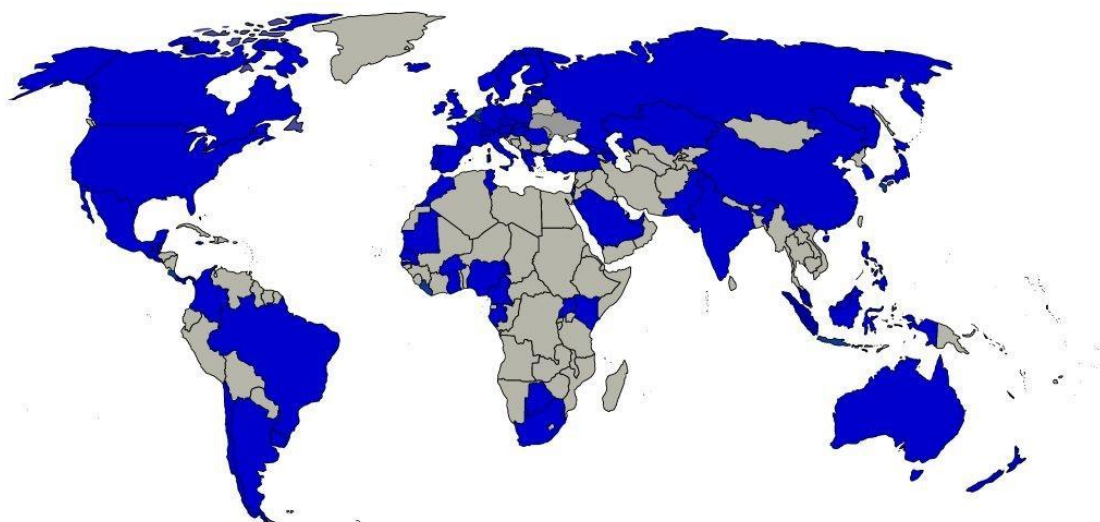
A. State of Play

3. Since 2009, the capacity for cooperation in international tax matters has improved significantly. More jurisdictions are committed to the standard, the number of exchange of information agreements has grown substantially, and many changes in domestic legislation have been introduced to comply with the standard. The Global Forum also conducts a number of technical assistance activities aimed to ensure that jurisdictions that are new to cooperation in international tax matters equally participate and implement the standard and has worked with the competent authorities responsible for exchange of information to facilitate assistance amongst the tax administration.

Membership

4. One of the great achievements of the Global Forum has been the establishment of a level playing field with **119 member jurisdictions** now committed to implementing the standards of transparency and exchange of information. Only **Lebanon has so far refused to commit to the standard and become a member of the Global Forum** despite being identified as a jurisdiction relevant to the Global Forum's work.

5. The Global Forum has welcomed 11 new members since its last report to the G20 in June 2012. Kazakhstan, Pakistan, Cameroon, Burkina Faso, Albania, Uganda, Gabon, and Senegal joined late in 2012. Azerbaijan, Romania and the Kingdom of Lesotho have joined early in 2013. Observership to the Global Forum has also increased to 12 organisations with the inclusion of the Centre de rencontres et d'études des dirigeants des administrations fiscales (CREDAF) and the World Customs Organisation. (See Annex 4 for a complete list of Global Forum members and observers).



Network of agreements

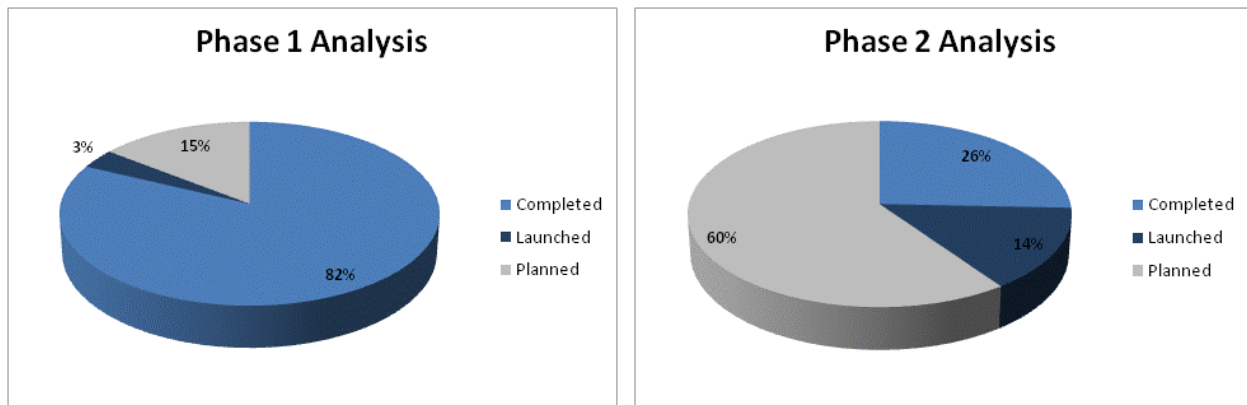
6. The connectivity between Global Forum members continues to grow. In 2008, most exchange of information on request was based on the existing network of tax treaties between jurisdictions with a long track record of exchange of information. Only a handful of dedicated tax information exchange agreements (TIEAs) were in place. **Today, there are almost 800 bilateral TIEAs worldwide**, ensuring the existence of mechanisms to exchange information with those jurisdictions that do not have large tax treaty networks. A separate related development has been the updating and expansion of the Convention on Mutual Administrative Assistance in Tax Matters in 2011, a multilateral convention that, with the support of the G20, has more than doubled its number of signatories in the past two years. This has led to a further increase in the number of EOI relationships, consisting of 675 additional EOI relationships (where a bilateral agreement already existed) and 228 new EOI relationships (where no bilateral agreement previously existed). With the support of the G20, further progress is expected in the next few months. Overall, the number of new EOI relationships (bilateral and multilateral) has increased by around 1 100 since the Global Forum began its work in 2009.

Peer Review Process

7. The mandate of the Global Forum is to promote exchange of information through a robust and comprehensive monitoring and peer review process. This process is divided between Phase 1 reviews, which examine a jurisdiction's legal framework for the exchange of information, and Phase 2 reviews, which examine information exchange in practice. **To date, the Global Forum has adopted and published 100 peer review reports** (see the complete list of adopted reports in Annex 5).

Table 1: Progress of the Peer Reviews

Review	Total	Adopted	Launched	Planned
Phase 1	91	70	4	17
Phase 2	91	4	17	70
Combined	26	26	0	0
Total	208	100	21	87



8. Since the Global Forum's last report to the G20 in June 2012, 21 peer reviews have been published, containing 112 new recommendations. These are:

- 11 Phase 1 reports (Belize, Dominica, Marshall Islands, Nauru, Niue, Poland, Portugal, Russia, Samoa, Sint Maarten, and Slovenia),
- 6 Combined Phase 1 and Phase 2 reports (Argentina, Finland, Iceland, South Africa, Sweden, and Turkey),
- 4 stand-alone Phase 2 reports (Belgium, Cayman Islands, Guernsey, and Singapore).

In addition, 5 more supplementary reports have been adopted (Costa Rica, Liechtenstein, Monaco, United Kingdom, and Uruguay).

9. At the time of the last report to the G20, 11 jurisdictions (Botswana, Brunei, Costa Rica, Guatemala, Lebanon, Liberia, Panama, Trinidad and Tobago, United Arab Emirates, Uruguay and Vanuatu) could not move to Phase 2 because 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 in their legal framework. In another two cases (Liechtenstein and Switzerland), progress to Phase 2 was subject to conditions.

10. Costa Rica, Liechtenstein and Uruguay have since responded by making the changes needed to improve their legal frameworks and, on the basis of their supplementary reports, have now qualified for Phase 2. With respect to the new Phase 1 reviews completed since June 2012, four additional jurisdictions cannot move to the Phase 2 review (Dominica, Marshall Islands, Nauru, and Niue). Hence as of the day of the production of this report a **total of 13 jurisdictions cannot move to Phase 2 review until they act on the recommendations to improve their legal and regulatory framework:** Botswana, Brunei, Dominica, Guatemala, Lebanon, Liberia, Marshall Islands, Nauru, Niue, Panama, Trinidad and Tobago, United Arab Emirates and Vanuatu. Additionally, the Phase 2 review of Switzerland is still subject to conditions.

11. Of the jurisdictions not moving to Phase 2, follow up reports² have been submitted by Botswana, Brunei, Guatemala, Lebanon, Liberia, Panama, Trinidad and Tobago, and United Arab Emirates on the progress they have made in implementing changes to address the recommendations made in their reports.

² Follow-up reports are detailed written reports by a jurisdiction to the PRG of the steps it has taken or has planned to take to implement recommendations made in a peer review report. Unlike supplementary reports, they are not peer-reviewed.

The follow up reports of Dominica, Marshall Islands, Nauru, and Niue are not yet due. Switzerland has also recently provided a follow up report providing details of actions taken by its Government to implement the recommendations made in its report.

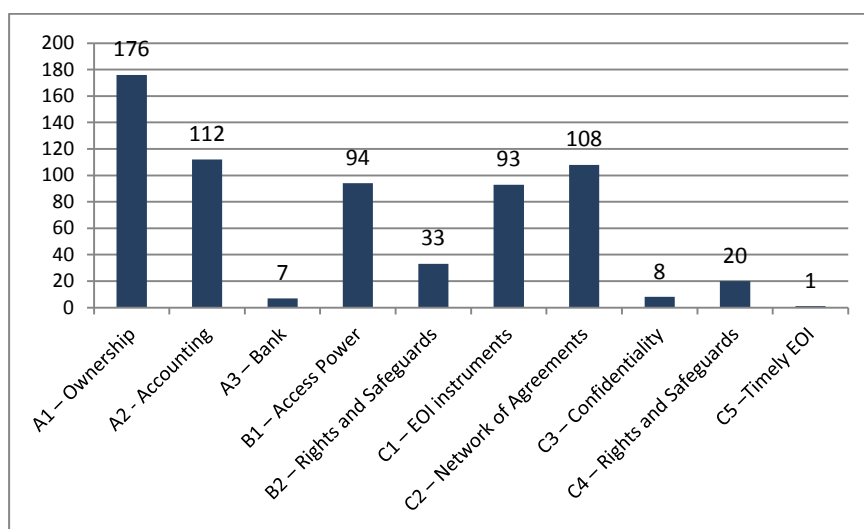
Results

12. The Global Forum’s peer review reports include determinations in respect of the elements which comprise the international standard as to whether a jurisdiction’s legal framework is in place and recommendations are made for improvement where appropriate (see Annex 2 for a complete table of determinations). Of the total number of **862** determinations made:

- ✓ 618 elements were found to be “in place”;
- ✓ 171 elements were “in place, but needing improvement”; and
- ✓ 73 elements were “not in place”.

13. A fundamental aspect of the Global Forum’s peer reviews are the recommendations for improvement that go along with the determinations in cases where there is some deficiency in the implementation of the standards. In the 100 reports adopted so far, a total of **652 Phase 1 recommendations have been made**.

Table 2: Number of Phase 1 recommendations per element



14. Where the Global Forum has made recommendations, jurisdictions have responded in many cases by making changes to improve their systems for the exchange of information. A supplementary review procedure has been established so that these changes can be evaluated and given public recognition. To date, 19 supplementary reports have been launched, of which 18 have been completed, with the following results:

- **78** recommendations addressed
- **49** determinations upgraded
- **8** jurisdictions have been able to qualify for the Phase 2 where initially they could not move to Phase 2 (Antigua and Barbuda, Barbados, British Virgin Islands, Costa Rica, San Marino, Seychelles, Turks and Caicos Islands, and Uruguay)

- **2** jurisdictions (Belgium and Liechtenstein) for which the Phase 2 review was subject to conditions are now able to proceed to their Phase 2 reviews, and the Phase 2 review of Belgium has now been completed.

15. In addition, all jurisdictions are required to provide follow-up reports describing the action taken to address recommendations made in their reports. So far, **68 jurisdictions have provided follow-up reports describing actions they have taken to implement more than 300 recommendations:**

- ✓ **53** jurisdictions have improved their legislation to ensure the availability of accounting and ownership information, **17 of which have abolished or immobilised bearer shares;**
- ✓ **38** jurisdictions improved access power to the information under domestic laws, **17 of these jurisdictions improved their access to bank information for EOI purposes;**
- ✓ **13** jurisdictions reported improvements in EOI procedures or strengthening EOI units for timely EOI;

16. These results show that the Global Forum’s work is leading to greatly improved transparency, wider exchange of information networks, and upgraded legal frameworks. As noted below under “Phase 2 and the Ratings Exercise”, the real test of whether the Global Forum has achieved its goal is whether it has improved transparency and made exchange of information more effective in practice. This can only be determined at the end of the Phase 2 reviews, which are currently ongoing and any definitive conclusion on the results would be premature.

Technical Assistance and Training

17. Since June 2012, the Global Forum has organized four training seminars in Paris, Dubai, Manila and Barbados, and proposes to hold seminars in Brasilia, Prague as well as Dakar in the first half of 2013. In collaboration with other international organisations and development agencies, assistance has been provided to a number of jurisdictions. In recognition of the fact that many new countries that are joining the Global Forum are developing countries and are new to international cooperation in exchange of information, assistance is being provided to create awareness of the international standard, help jurisdictions prepare for their peer reviews and implement the recommendations made. The Global Forum is also developing important tools to assist jurisdictions in implementing the standard, including a toolkit, work manual and a tracking system for requests for information.

Competent Authority Database

18. Following the first meeting of Competent Authorities – the officials responsible for exchange of information on a day-to-day basis – in Madrid in May 2012, the Global Forum has launched a database which includes contacts for more than 70 jurisdictions. This tool will facilitate the flow of exchange of information amongst tax administrations and help develop the EOI network. A second meeting of Competent Authorities will be held in the Netherlands in May 2013. Competent Authorities will share challenges regarding the growing volume and complexity of information exchange and practices implemented to respond to these challenges, as well as the importance and challenges of developing the use of EOI within their tax administration.

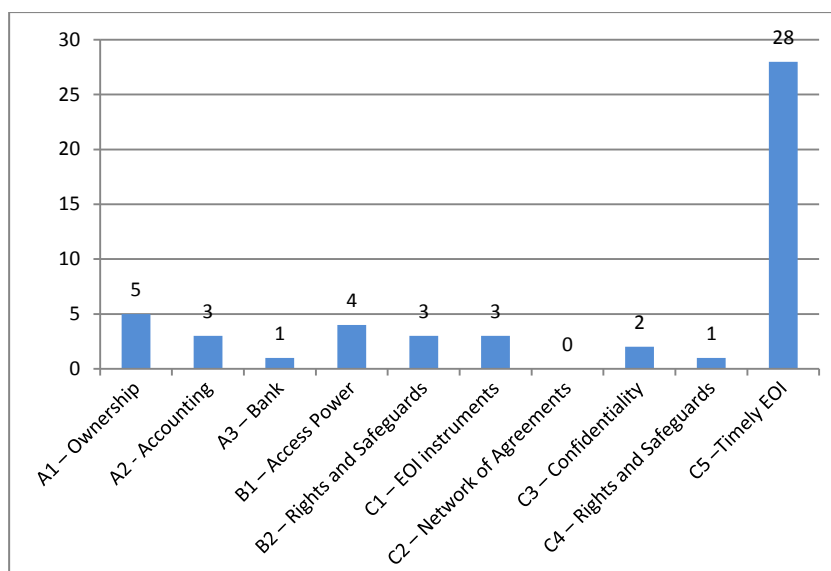
B. Measuring effectiveness

19. The preliminary indications from the Combined reviews and stand alone Phase 2 reviews conducted to date show that the timeliness of responses is improving and there has been an increase in the volume of requests in recent years. For these jurisdictions, figures indicate that there has been a 22% increase in the volume of the requests they receive over the three-year review period. This figure is even

more pronounced for those jurisdictions that have smaller volumes of requests. Those jurisdictions with fewer than 100 requests in the first year of review saw an average increase of more than 100% over the three years. In addition, a large number of EOI relationships have just recently come into force and are only now starting to be used. As a result there remains a considerable scope for increase in the volume of requests and jurisdictions should expect the number of requests to go up in the near term. However, there is a wide variation in the extent to which EOI agreements are being used by different jurisdictions – some rely on the agreements more for their deterrent effect (for example by preventing taxpayers from evading tax in the first place or inciting them to provide information voluntarily) while others consciously seek to test them in practice right away. Where agreements are used, they are effective in countering tax evasion.

20. While the timeliness of responses to exchange of information requests is improving, it is also clear that a number of issues still need to be addressed. Out of the 30 published peer reviews assessing phase 2 aspects, 50 recommendations have been made to improve the jurisdictions’ ability to effectively exchange information in practice, and most of these recommendations relate to timeliness.

Table 3: Number of Phase 2 recommendations per element



21. Thirteen jurisdictions have already reported taking action to address these issues by improving their case management systems and devoting additional resources to exchange of information. Moreover, improvements in processes are also being made in jurisdictions which have not yet undergone a Combined or Phase 2 review in anticipation of their reviews.

22. These results show the very practical impact the work of the Global Forum is having. As a result of these improvements, exchange of information on request will become a much more effective tool in the future as changes in member jurisdictions’ EOI systems and organisations are reflected in an improved service to treaty partners. The great benefit to member jurisdictions is the potential to prevent tax evasion through increased use of EOI agreements and effective cooperation in practice.

C. Phase 2 and the Ratings Exercise

23. Ultimately the real test of whether the Global Forum has achieved its goal is whether it has improved transparency and made exchange of information more effective in practice. Where the Phase 1 reviews examine a jurisdiction’s legal framework for exchange of information, Phase 2 reviews examine how well that framework does in practice. The Global Forum’s second mandate began in January 2013,

and this coincides with the beginning of the stand alone Phase 2 reviews and evaluating compliance in practice. **A key output of Phase 2 reviews is the assignment of a rating both for a jurisdiction's compliance with each element of the Global Forum's Terms of Reference as well as an overall rating.**

24. The issuance of an overall rating will best achieve both the recognition of progress by jurisdictions toward a level playing field and the identification of jurisdictions that are not in step with the international consensus.

25. The Global Forum is proceeding carefully with the ratings exercise in order to ensure a fair, consistent and transparent result. Consideration has been given to the timing of the ratings exercise as it will be important to complete Phase 2 reviews for a representative subset of jurisdictions before finalising ratings to ensure that the application of the ratings system is consistent across jurisdictions. As a representative subset of Phase 2 reviews will be completed later in 2013, work within the Global Forum is underway to establish a fair and transparent process through which ratings will be assigned to all jurisdictions having already undergone an analysis of the exchange of information practices. Ratings will then be an integral part of Phase 2 reviews going forward.

26. The Phase 2 ratings, including the overall rating, will be applied on the basis of a four-tier system:

Compliant	The essential element is, in practice, fully implemented.
Largely compliant	There are only minor shortcomings in the implementation of the essential element.
Partially compliant	The essential element is only partly implemented.
Non-compliant	There are substantial shortcomings in the implementation of the essential element.

27. It is expected that the first ratings (for as many as 50 jurisdictions) will be finalised by the Global Forum at its plenary meeting in November 2013. **The Global Forum looks forward to reporting back to the G20 after completion of the initial ratings exercise.**

D. Beyond Phase 2

28. The delivery of overall ratings will be a watershed moment in the Global Forum's evolution, as it represents the completion of its original mandate while at the same time setting the bar for its future work. Indeed, as the reviews are being completed and the ratings exercise undertaken, the Global Forum has started reflecting on its future beyond its current mandate, which extends to the end of 2015. This discussion includes the question of how to refine and improve the *Terms of Reference* which embodies the international standard, and what form of assessment and monitoring on a continuous basis should take place once the Phase 2 reviews are completed so as to ensure that jurisdictions continue to cooperate effectively. There is also a question of how the Global Forum should position itself in a rapidly evolving exchange of information environment where many members are participating in a wider variety of exchange relationships including automatic exchange of information. As the exchange of information environment evolves, the Global Forum is reflecting on how it can be proactive rather than reactive.

29. Global Forum members are united in seeing the Global Forum play an important role beyond the Phase 2 reviews and the current mandate. Thus, the ratings exercise should be seen as one component of an ongoing process for which the support of the G20 is key.

ANNEX 1: G20 COMMUNIQUES

G20 Finance Ministers and Central Bank Governors, Moscow, 15-16 February, 2013, para 20

In the tax area, we welcome the OECD report on addressing base erosion and profit shifting and acknowledge that an important part of fiscal sustainability is securing our revenue bases. We are determined to develop measures to address base erosion and profit shifting, take necessary collective actions and look forward to the comprehensive action plan the OECD will present to us in July. We strongly encourage all jurisdictions to sign the Multilateral Convention on Mutual Administrative Assistance. We encourage the Global Forum on Transparency and Exchange of Information to continue to make rapid progress in assessing and monitoring on a continuous basis the implementation of the international standard on information exchange and look forward to the progress report by April 2013. We reiterate our commitment to extending the practice of automatic exchange of information, as appropriate, and commend the progress made recently in this area. We support the OECD analysis for multilateral implementation in that domain.

G20 Finance Ministers and Central Bank Governors, Mexico City, November 2012, para 21

We commend the signings of the Multilateral Convention in Cape Town and further progress made towards transparency as reported by the Global Forum whose membership has increased. We look forward to a progress report by the Global Forum on the effectiveness of information exchange practices by April 2013. We welcome and endorse the improved OECD standard with respect to information requests on a group of taxpayers and encourage all countries to adopt it when appropriate. We will continue to implement practices of automatic exchange of information and call on the OECD to analyze the safeguards, mechanisms and milestones necessary to increase its use and efficient implementation in a multilateral context. We also welcome the work that the OECD is undertaking into the problem of base erosion and profit shifting and look forward to a report about progress of the work at our next meeting.

ANNEX 2: PHASE 1 REVIEWS

	Jurisdiction	Type of Review	Availability of Information			Access to Information		Exchange of Information					Move to Phase 2
			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	
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 + Supplementary	In place	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
4	Argentina	Combined	In place	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	-
5	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
6	Australia	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
7	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
8	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
9	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
10	Barbados	Phase 1 + Supplementary	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
11	Belgium	Phase 1 + Supplementary + Phase 2	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
12	Belize	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

	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
13	Bermuda	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
14	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
15	Brazil	Phase 1	In place	In place	In place	In place	In place, but	In place, but	In place	In place	In place	Not assessed	Yes
16	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
17	Canada	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
18	Cayman Islands	Phase 1 + Supplementary + Phase 2	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
19	Chile	Phase 1	In place, but	In place	In place	In place, but	In place, but	In place	In place	In place	In place	Not assessed	Yes
20	China	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
21	Cook Islands	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
22	Costa Rica	Phase 1 + Supplementary	Not in place	In place, but	In place	In place	In place	In place, but	In place	In place	In place	Not assessed	Yes
23	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
24	Cyprus	Phase 1	In place, but	Not in place	In place	In place, but	In place, but	In place	In place, but	In place	In place	Not assessed	Yes
25	Czech Republic	Phase 1	Not in place	In place	In place	In place, but	In place	In place	In place	In place	In place, but	Not assessed	Yes
26	Denmark	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
27	Dominica	Phase 1	In place, but	Not in place	In place	Not in place	In place	Not in place	In place, but	In place, but	In place	Not assessed	No

	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
28	Estonia	Phase 1 + Supplementary	In place, but	In place	In place	In place	In place	In place	In place	In place, but	In place	Not assessed	Yes
29	Finland	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
30	France	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
31	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
32	Germany	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
33	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
34	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
35	Greece	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
36	Grenada	Phase 1	In place, but	Not in place	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	Yes
37	Guatemala	Phase 1	Not in place	In place	In place	Not in place	In place, but	Not in place	Not in place	In place	In place	Not assessed	No
38	Guernsey	Phase 1 + Phase 2	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
39	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
40	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
41	Iceland	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
42	India	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
43	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
44	Ireland	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-

	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
45	Isle of Man	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
46	Italy	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
47	Japan	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
48	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
49	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	-
50	Korea, Republic of	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
51	Lebanon	Phase 1	Not in place	In place, but	In place	Not in place	In place	Not in place	Not in place	In place	In place	Not assessed	No
52	Liberia	Phase 1	Not in place	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	No
53	Liechtenstein	Phase 1 + Supplementary	Not in place	In place	In place	In place	In place, but	In place, but	In place	In place	In place	Not assessed	Yes
54	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
55	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
56	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
57	Malta	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
58	Marshall Islands	Phase 1	Not in place	Not in place	In place	In place, but	In place	In place, but	In place	In place	In place	Not assessed	No
59	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	-
60	Mexico	Phase 1	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
61	Monaco	Phase 1 + Supplementary	In place	In place	In place	In place	In place, but	In place	In place, but	In place	In place	Not assessed	Yes

	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
62	Montserrat	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
63	Nauru	Phase 1	Not in place	Not in place	In place	Not in place	Not assessed	Not in place	Not in place	Not in place	Not in place	Not assessed	No
64	Netherlands	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
65	New Zealand	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
66	Niue	Phase 1	In place, but	In place, but	In place	In place	In place	Not in place	In place, but	In place	In place	Not assessed	No
67	Norway	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
68	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
69	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
70	Poland	Phase 1	Not in place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
71	Portugal	Phase 1	In place, but	In place	In place	In place	In place, but	In place	In place	In place	In place	Not assessed	Yes
72	Qatar	Phase 1 + Supplementary	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
73	Russia	Phase 1	In place, but	In place	In place, but	In place, but	In place	In place, but	In place, but	In place, but	In place, but	Not assessed	Yes
74	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
75	St. Lucia	Phase 1	In place	Not in place	In place	In place, but	In place	In place, but	In place	In place	In place, but	Not assessed	Yes
76	St. Vincent and the Grenadines	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
77	Samoa	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

	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
78	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
79	The Seychelles	Phase 1 + Supplementary	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
80	Singapore	Phase 1 + Phase 2	In place	In place	In place	In place, but	In place	In place, but	In place, but	In place	In place	Not assessed	-
81	St. Maarten	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
82	Slovak Republic	Phase 1	In place, but	In place	In place	In place, but	In place	In place	In place	In place	In place, but	Not assessed	Yes
83	Slovenia	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
84	Spain	Combined	In place	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	-
85	South Africa	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
86	Sweden	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
87	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
88	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
89	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
90	Turkey	Combined	Not in place	In place	In place	In place, but	In place	In place, but	In place	In place	In place, but	Not assessed	-
91	United Arab Emirates	Phase 1	In place, but	Not in place	In place	Not in place	In place	Not in place	In place, but	In place	In place, but	Not assessed	No
92	United Kingdom	Combined + Supplementary	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
93	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	-

	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
94	Uruguay	Phase 1 + Supplementary	In place, but	In place	In place	In place, but	In place, but	In place	In place	In place	In place	Not assessed	Yes
95	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
96	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 3: 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 standards of transparency and information exchange for tax purposes. This was reiterated by the Global Forum at its meeting in Paris on 25-26 October 2011 which agreed to extend the Global Forum's current mandate until the end of 2015.

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 standards 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. In some cases where jurisdictions have a long standing commitment to the Global Forum standards, 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 a 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	St. Vincent and the Grenadines
				Former Yugoslav Republic of Macedonia			Sint Maarten
				Lebanon			

- Phase 1 review
- Phase 2 review
- Combined review






2012				2013			
1st Half		2nd Half		1st Half		2nd Half	
Samoa	Turkey	Belgium	British Virgin Islands	Bahrain	Malaysia	Anguilla	Andorra
Argentina	Portugal	Bermuda	Austria	Estonia	Slovak Republic	Antigua and Barbuda	Botswana
Belize	Finland	Cayman Islands	Hong Kong, China	Jamaica	Slovenia	Chile	Ghana
Dominica	Sweden	Cyprus	India	Philippines	Vanuatu	Former Yugoslav Republic of Macedonia	Grenada
Israel	Iceland	Guernsey	Luxembourg	Turks and Caicos	Indonesia	Costa Rica	Israel
Marshall Islands	Slovenia	Malta	Monaco	United Arab Emirates	Seychelles	Guatemala	Liberia
Nauru	Brazil	Qatar	Panama	Barbados	Colombia	Mexico	Russian Federation
Niue		San Marino	Switzerland	Brunei	Georgia	Montserrat	Saint Kitts and Nevis
Poland		Singapore	Federated States of Micronesia	Macao, China	Nigeria	Trinidad and Tobago	Saint Lucia
		The Bahamas		Lithuania		Latvia	St. Vincent and the Grenadines
				Kenya			Lebanon

- Phase 1 review
- Phase 2 review
- Combined review

2014			
1 st Half		2 nd Half	
Belize	Czech Republic	Liechtenstein	
Dominica	Gibraltar	Samoa	
Marshall Islands	Hungary	Albania	
Nauru	Curaçao	Burkina Faso	
Niue	Poland	Cameroon	
Saudi Arabia	Sint Maarten	Gabon	
Cook Islands	El Salvador	Kazakhstan	
Portugal	Mauritania	Pakistan	
Uruguay	Morocco	Senegal	
Aruba	Tunisia	Uganda	

- Phase 1 review
- Phase 2 review
- Combined review

ANNEX 4: LIST OF MEMBERS AND OBSERVERS

	Albania	Kenya	
	Andorra	Korea	
	Anguilla	Latvia	
	Antigua and Barbuda	Lesotho	
	Argentina	Liberia	
	Aruba	Liechtenstein	
	Australia	Lithuania	
	Austria	Luxembourg	
	Azerbaijan	Macau, China	
	The Bahamas	Malaysia	
	Bahrain	Malta	
	Barbados	Marshall Islands	
	Belgium	Mauritania	
	Belize	Mauritius	
	Bermuda	Mexico	
	Botswana	Monaco	
	Brazil	Montserrat	
	British Virgin Islands	Morocco	
	Brunei Darussalam	Nauru	
	Burkina Faso	Netherlands	
	Cameroon	New Zealand	

	Canada	Nigeria	
	Cayman Islands	Niue	
	Chile	Norway	
	China	Pakistan	
	Colombia	Panama	
	Cook Islands	Philippines	
	Costa Rica	Poland	
	Curaçao	Portugal	
	Cyprus ^{3, 4}	Qatar	
	Czech Republic	Romania	
	Denmark	Russian Federation	
	Dominica	St. Kitts and Nevis	
	El Salvador	St. Lucia	
	Estonia	Sint Maarten	
	Finland	St. Vincent and the Grenadines	
	Former Yugoslav Republic of Macedonia (FYROM)	Samoa	
	France	San Marino	
	Gabon	Saudi Arabia	
	Georgia	Senegal	
	Germany	Seychelles	

³ Footnote 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 recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

⁴ Footnote by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognized 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.



Ghana

Singapore



Gibraltar

Slovak Republic



Greece

Slovenia



Grenada

South Africa



Guatemala

Spain



Guernsey

Sweden



Hong Kong, China

Switzerland



Hungary

Trinidad and Tobago



Iceland

Tunisia



India

Turkey



Indonesia

Turks and Caicos Islands



Ireland

Uganda



Isle of Man

United Arab Emirates



Israel

United Kingdom



Italy

United States



Jamaica

United States Virgin Islands



Japan

Uruguay



Jersey

Vanuatu



Kazakhstan

European Union



Observers of the Global Forum

African Tax Administration Forum	Inter-American Development Bank
Asian Development Bank	International Finance Corporation
Centre de Rencontre des Administrations Fiscales	International Monetary Fund
Commonwealth Secretariat	United Nations
European Bank for Reconstruction and Development	World Bank
European Investment Bank	World Customs Organisation

ANNEX 5: PEER REVIEW REPORTS ADOPTED AND PUBLISHED

	Jurisdiction	Type of review	Publication date
1	Andorra	Phase 1	12 September 2011
2	Anguilla	Phase 1	12 September 2011
3	Antigua and Barbuda	Phase 1	12 September 2011
		Supplementary	20 June 2012
4	Argentina	Combined (Phase 1 and Phase 2)	27 October 2012
5	Aruba	Phase 1	14 April 2011
6	Australia	Combined (Phase 1 and Phase 2)	28 January 2011
7	Austria	Phase 1	12 September 2011
8	The Bahamas	Phase 1	14 April 2011
9	Bahrain	Phase 1	12 September 2011
10	Barbados	Phase 1	28 January 2011
		Supplementary	5 April 2012
11	Belgium	Phase 1	14 April 2011
		Supplementary	12 September 2011
		Phase 2	AWAITING ADOPTION BY THE GLOBAL FORUM
12	Belize	Phase 1	AWAITING ADOPTION BY THE GLOBAL FORUM
13	Bermuda	Phase 1	30 September 2010
		Supplementary	5 April 2012
14	Botswana	Phase 1	30 September 2010
15	Brazil	Phase 1	5 April 2012
16	Brunei Darussalam	Phase 1	26 October 2011
17	Canada	Combined (Phase 1 and Phase 2)	14 April 2011
18	The Cayman Islands	Phase 1	30 September 2010
		Supplementary	12 September 2011
		Phase 2	AWAITING ADOPTION BY THE GLOBAL FORUM
19	Chile	Phase 1	5 April 2012
20	China	Combined (Phase 1 and Phase 2)	20 June 2012
21	Cook Islands	Phase 1	20 June 2012
22	Costa Rica	Phase 1	5 April 2012
		Supplementary	AWAITING ADOPTION BY THE GLOBAL FORUM
23	Curacao	Phase 1	12 September 2011

	Jurisdiction	Type of review	Publication date
24	Cyprus	Phase 1	5 April 2012
25	Czech Republic	Phase 1	5 April 2012
26	Denmark	Combined (Phase 1 and Phase 2)	28 January 2011
27	Dominica	Phase 1	27 October 2012
28	Estonia	Phase 1	14 April 2011
		Supplementary	20 June 2012
29	Finland	Combined (Phase 1 and Phase 2)	AWAITING ADOPTION BY THE GLOBAL FORUM
30	The Former Yugoslav Republic of Macedonia	Phase 1	26 October 2011
31	France	Combined (Phase 1 and Phase 2)	1 June 2011
32	Germany	Combined (Phase 1 and Phase 2)	14 April 2011
33	Ghana	Phase 1	14 April 2011
34	Gibraltar	Phase 1	26 October 2011
35	Greece	Combined (Phase 1 and Phase 2)	20 June 2012
36	Grenada	Phase 1	20 June 2012
37	Guatemala	Phase 1	5 April 2012
38	Guernsey	Phase 1	28 January 2011
		Phase 2	AWAITING ADOPTION BY THE GLOBAL FORUM
39	Hong Kong, China	Phase 1	26 October 2011
40	Hungary	Phase 1	1 June 2011
41	Iceland	Combined (Phase 1 and Phase 2)	AWAITING ADOPTION BY THE GLOBAL FORUM
42	India	Phase 1	30 September 2010
43	Indonesia	Phase 1	26 October 2011
44	Ireland	Combined (Phase 1 and Phase 2)	28 January 2011
45	The Isle of Man	Combined (Phase 1 and Phase 2)	1 June 2011
46	Italy	Combined (Phase 1 and Phase 2)	1 June 2011
47	Jamaica	Phase 1	30 September 2010
48	Japan	Combined (Phase 1 and Phase 2)	26 October 2011
49	Jersey	Combined (Phase 1 and Phase 2)	26 October 2011
50	Korea, Republic of	Combined (Phase 1 and Phase 2)	5 April 2012
51	Lebanon	Phase 1	20 June 2012
52	Liberia	Phase 1	20 June 2012
53	Liechtenstein	Phase 1	12 September 2011
		Supplementary	27 October 2012
54	Luxembourg	Phase 1	12 September 2011
55	Macao, China	Phase 1	26 October 2011
56	Malaysia	Phase 1	26 October 2011
57	Malta	Phase 1	5 April 2012

	Jurisdiction	Type of review	Publication date
58	Marshall Islands	Phase 1	27 October 2012
59	Mauritius	Combined (Phase 1 and Phase 2)	28 January 2011
		Supplementary	26 October 2011
60	Mexico	Phase 1	5 April 2012
61	Monaco	Phase 1	30 September 2010
		Supplementary	26 October 2011
		Supplementary	27 October 2012
62	Montserrat	Phase 1	20 June 2012
63	The Netherlands	Combined (Phase 1 and Phase 2)	26 October 2011
64	Nauru	Phase 1	AWAITING ADOPTION BY THE GLOBAL FORUM
65	New Zealand	Combined (Phase 1 and Phase 2)	1 June 2011
66	Niue	Phase 1	27 October 2012
67	Norway	Combined (Phase 1 and Phase 2)	28 January 2011
68	Panama	Phase 1	30 September 2010
69	The Philippines	Phase 1	1 June 2011
70	Poland	Phase 1	AWAITING ADOPTION BY THE GLOBAL FORUM
71	Portugal	Phase 1	AWAITING ADOPTION BY THE GLOBAL FORUM
72	Qatar	Phase 1	30 September 2010
		Supplementary	5 April 2012
73	Russia	Phase 1	27 October 2012
74	Samoa	Phase 1	27 October 2012
75	Saint Kitts and Nevis	Phase 1	12 September 2011
76	Saint Lucia	Phase 1	20 June 2012
77	Saint Vincent and the Grenadines	Phase 1	5 April 2012
78	San Marino	Phase 1	28 January 2011
		Supplementary	26 October 2011
79	The Seychelles	Phase 1	28 January 2011
		Supplementary	20 June 2012
80	Singapore	Phase 1	1 June 2011
		Phase 2	AWAITING ADOPTION BY THE GLOBAL FORUM
81	Sint Maarten	Phase 1	27 October 2012
82	Slovakia	Phase 1	5 April 2012
83	Slovenia	Phase 1	27 October 2012
84	South Africa	Combined (Phase 1 and Phase 2)	27 October 2012
85	Spain	Combined (Phase 1 and Phase 2)	26 October 2011
86	Sweden	Combined (Phase 1 and Phase 2)	AWAITING ADOPTION BY THE GLOBAL FORUM

	Jurisdiction	Type of review	Publication date
			FORUM
87	Switzerland	Phase 1	1 June 2011
88	Trinidad and Tobago	Phase 1	28 January 2011
89	Turkey	Combined (Phase 1 and Phase 2)	AWAITING ADOPTION BY THE GLOBAL FORUM
90	The Turks and Caicos Islands	Phase 1	12 September 2011
		Supplementary	26 October 2011
91	United Arab Emirates	Phase 1	20 June 2012
92	The United Kingdom	Combined (Phase 1 and Phase 2)	12 September 2011
		Supplementary	AWAITING ADOPTION BY THE GLOBAL FORUM
93	The United States	Combined (Phase 1 and Phase 2)	1 June 2011
94	Uruguay	Phase 1	26 October 2011
		Supplementary	27 October 2012
95	Vanuatu	Phase 1	26 October 2011
96	The Virgin Islands (British)	Phase 1	12 September 2011
		Supplementary	26 October 2011

THE REPORT TO THE G20 HEADS OF GOVERNMENT - PART II

**CURRENT TAX WORK OF RELEVANCE TO TACKLE
OFFSHORE TAX EVASION AND TAX AVOIDANCE**

MUTUAL ADMINISTRATIVE ASSISTANCE

The multilateral Convention on Mutual Administrative Assistance in Tax Matters is an increasingly global instrument for international tax co-operation and exchange of information on all taxes. It provides for a multilateral basis to counter international tax evasion and avoidance providing for a wide variety of administrative assistance, including information exchange on request, automatic information exchange, participation in tax examinations abroad, simultaneous tax examinations, joint audits and assistance in the collection of tax debts.

The Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the international standard on exchange and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. It was opened for signature on 1st June 2011. Since then more than 50 countries, including all G20 countries have either signed the Convention or committed to do so:

- A first signing ceremony involving all G20 countries was hosted by the French Presidency of the G20 at the Cannes Summit on 3-4 November 2011. This event enabled all G20 countries to sign or commit to sign the Convention.
- A second signing ceremony was organized on 26 October 2012 in Cape Town on the occasion of the meeting of the Global Forum. Following this signing ceremony, a total of 53 countries had signed the Convention or committed to sign the Convention, including a number of developing countries.
- The third signing ceremony will be hosted by the OECD on 29th May 2013, during its annual Ministerial meeting. At this stage, we expect to have at least 10-15 countries, including Azerbaijan, Belize, Estonia, Kazakhstan, Latvia, Morocco, Saudi Arabia, and the Slovak Republic signing at that time; other

countries may sign commitments to sign the Convention. Still others, such as Ghana, the Netherlands and Tunisia will deposit their instruments of ratification.

Following the signing ceremony in May, more than 60 developed and developing countries will likely have signed or committed to the Convention. This would not have been possible without the continued support of the G20, which not only committed themselves to the Convention but also strongly encouraged others to sign. For instance the most recent communiqué from the 15-16 February meeting of the Finance Ministers and Central Bank Governors in Moscow *“strongly encourages all jurisdictions to sign the Multilateral Convention on Mutual Administrative Assistance.”*

However not many offshore jurisdictions have so far joined the Convention and further support of the G20 may be useful in this regard.

I will report to you on the progress made at your next meeting.

AUTOMATIC EXCHANGE OF INFORMATION

G20 leaders have stressed the importance of comprehensive information exchange. At their meeting in April 2012, Finance Ministers and Central Bank Governors specifically asked for an interim report on the progress made in improving automatic exchange. G20 Leaders welcomed the progress report *“Automatic Exchange of Information: What it is, How it works, Benefits, What remains to be done”* that I presented at the Los Cabos Summit in June 2012.

The G20 Finance Ministers and Central Bank Governors provide continued support to the OECD work on automatic exchange as shown by the Communiqué issued at the meeting of 5 November 2012 (*“We will continue to implement practices of automatic exchange of information and call on the OECD to analyze the safeguards, mechanisms and milestones necessary to increase its use and efficient implementation in a multilateral context.”*) and

at their meeting in February 15-16 (*"We reiterate our commitment to extending the practice of automatic exchange of information, as appropriate, and commend the progress made recently in this area. We support the OECD analysis for multilateral implementation in that domain"*).

The OECD has been active in facilitating all forms of exchange of information including increasingly automatic exchange of information for those countries interested in this form of information exchange.

The automatic exchange of information involves the systematic and periodic transmission of certain "bulk" taxpayer information by the source country to the residence country and can be based on bilateral tax treaties but also on the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Ensuring the confidentiality of taxpayer information is of utmost importance and in 2012 the OECD and Global Forum published jointly a guide entitled "Keeping it Safe: The Guide on the Protection of Confidentiality of Information Exchanged for Tax Purposes."

The OECD work already shows widespread use of automatic exchange of information regarding country coverage and income types, transaction values and records exchanged. Key findings include:

- Many countries, OECD and non OECD economies, receive information automatically from treaty partners.
- 85% of surveyed countries send information automatically to treaty partners (up to 70 partners in one case).
- The value of transactions reported to most countries in a year is measured in the € billions and five countries each received information totaling in excess of €15 billion.

Automatic exchange as a tool to counter offshore non-compliance has a number of benefits. It can provide timely information on non-compliance where tax has been evaded either on an investment return or the underlying capital sum. It can help detect cases of non-compliance even where tax administrations have had no previous indications of non-compliance. Other benefits include its deterrent effects, increasing voluntary compliance and encouraging taxpayers to report all relevant information. Automatic exchange may also help educate taxpayers in their reporting obligations, increase tax revenues and thus lead to fairness – ensuring that all taxpayers pay their fair share of tax in the right place at the right time. As automatic exchange of information becomes a growing practice, and with the G20 support for a multilateral implementation in this domain the OECD has redoubled its efforts to address the remaining challenges and to offer, to all interested countries, a multilateral platform for effective standardized automatic information exchange. Working with partner countries (including Argentina, Brazil, China, India, the Russian Federation and South Africa), the OECD is advancing rapidly in the development of a common model for reporting and automatic exchange of certain account information held by financial institutions, including due diligence rules, reporting formats and secure transmission methods. **The goal is to maximise compliance benefits for residence countries, reduce costs for financial institutions and contain all necessary safeguards through the development of one standard** (rather than a proliferation of different ones).

BASE EROSION AND PROFIT SHIFTING

There is a growing perception that governments lose substantial corporate tax revenue because of international tax planning designed to shift profits in ways that erode the taxable base of developed and developing countries to locations where they are subject to a more favourable tax treatment. This type of tax planning can often lead to double non-taxation, i.e., situations where income is not taxed anywhere: not in the taxpayer's country of residence nor in the source country. The consequences of the base erosion and profit shifting (BEPS) currently achieved by some multinationals range from unintended competitive advantages for MNEs over smaller or domestic companies to distortion of investment decisions to loss of substantial corporate tax revenue for governments. More fundamentally, the perceived unfairness resulting from BEPS jeopardises citizens' trust in the integrity of the tax system as a whole, thereby undermining voluntary tax compliance.

Over five years into the crisis, with governments and their citizens struggling in a tight fiscal environment, and the media spotlight on corporate tax affairs, an essential debate has been set in motion about whether the international tax rules are still fit for purpose. Strong political support, in particular from the G20, demonstrates that the time is ripe to address the issues raised by this debate on a multilateral basis. The OECD is at the forefront of efforts to respond to these issues in a comprehensive and inclusive way.

On 12 February 2013 the OECD published the report *Addressing Base Erosion and Profit Shifting* (hereafter "the Report"). The Report calls for the development of a comprehensive action plan to (i) identify actions needed to address BEPS, (ii) set deadlines to implement these actions and (iii) identify the resources needed and the methodology to implement these actions.

In addition to better information and data on BEPS, the Report indicates that the action plan will include proposals to develop:

- Instruments to put an end to or neutralise the effects of hybrid mismatch arrangements and arbitrage.
- Improvements or clarifications to transfer pricing rules to address specific areas where the current rules produce undesirable results from a policy perspective. The current work on intangibles, which is a particular area of concern, would be included in a broader reflection on transfer pricing rules.
- Updated solutions to the issues related to jurisdiction to tax, in particular in the areas of digital goods and services. These solutions may include a revision of treaty provisions.
- More effective anti-avoidance measures, as a complement to the previous items. Anti-avoidance measures can be included in domestic laws or included in international instruments. Examples of these measures include General Anti-Avoidance Rules (GAARs), Controlled Foreign Companies (CFC) rules, Limitation on benefits (LOB) rules and other anti-treaty abuse provisions.
- Rules on the treatment of intra-group financial transactions, such as those related to the deductibility of payments and the application of withholding taxes.
- Solutions to counter harmful regimes more effectively, taking into account factors such as transparency and substance.

The action plan will also consider the best way to implement in a timely fashion the measures governments can agree upon. If treaty changes are required, solutions for a quick implementation of these changes should be examined and proposed as well. At the same time that the OECD steps up its efforts to address double non-taxation it should also continue its work to eliminate double taxation. In this respect, the Report suggests that a comprehensive approach should also consider possible improvements to eliminate double taxation, such as increased efficiency of mutual agreement procedures and arbitration provisions.

To advance the work on the action plan, three temporary focus groups were set up and all OECD Members and Participant countries in the Committee on Fiscal Affairs were invited to participate. Most delegations volunteered to provide input into these three focus groups, including China, India, Russia, and South Africa. The three focus groups are:

- *Countering base erosion*, which mainly looks at anti-avoidance measures, measures to avoid the negative effects of asymmetries in tax systems (“hybrids”), and how to revamp the work on harmful tax practices.
- *Jurisdiction to tax*, which mainly looks at issues related to how existing rules allocate the right to tax cross-border business, with a particular focus on the digital economy.
- *Transfer pricing*, which looks at issues related to the arm’s length principle.

The work of the focus groups is the basis for the development of the action plan, which will provide concrete solutions to realign international standards with the current global business environment.

The OECD’s work on BEPS is also being informed by engagement with business and civil society. A number of meetings with these stakeholders have already taken place in spite of the tight deadlines for this project.

In general, business recognises that there is a need to restore trust in the international tax system by revisiting the tax rules. Business emphasised that the current rules work effectively in most areas but other areas may require an adjustment to the rules, in particular where the substance and taxation of transactions has diverged. Business has acknowledged the importance of economic substance and called on the OECD to establish a common definition of economic substance, proposed the creation of a joint OECD/ business group to work on issues related to the digital economy, supported the establishment by the OECD of uniform international rules on Controlled Foreign Company (CFC) and on

interest deductibility, and offered to work on a business code of tax conduct as part of the BEPS agenda.

TUAC, the Trade Union Advisory Committee to the OECD is very supportive of the BEPS initiative and its objective to eliminate double non-taxation and more effectively address aggressive tax planning. They would like the scope of the BEPS project to be enhanced by calling for greater transparency from MNEs, including country-by-country tax reporting, and by addressing the speculative use of derivatives for tax evasion purposes, including through a financial transaction tax on OTC derivatives.

Briefings of NGO’s have also been organised. NGOs expressed strong support for the BEPS report and presented a policy paper commenting on the report signed by 58 different NGOs (“*No More Shifty Business*”). They strongly argued that worldwide consolidated accounts were the starting point to put an end to BEPS.

We have also invited written comments from these external stakeholders so that their views may be considered in the development of the comprehensive action plan.

We are working very intensely so as to be able to deliver the action plan to the July G20 Finance Ministers meeting. The BEPS project is admittedly an ambitious one and continued strong political support is vital to advance this project in a short timeframe and to achieve consensus on workable and timely solutions.