



Progress Report to the G20

Los Cabos, Mexico

June 2012

MOVING TO THE NEXT PHASE

A PROGRESS REPORT TO G20 LEADERS BY THE GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES¹

The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) reported the findings of its first set of 59 Peer Reviews to the G20 Leaders at their November 2011 Cannes Summit. That report showed a high level of cooperation among members and a good level of compliance with the internationally agreed standard, although it also identified a number of unresolved deficiencies. In their Final Communiqué, the G20 leaders welcomed 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. In February 2012, and again at their meeting in April 2012, the G20 Finance Ministers and Central Bank Governors asked the Global Forum to report on the outcomes of the new set of published reviews.

Since the last report sent to the G20 in November 2011, the Global Forum has made steady progress towards its goal of increased transparency. Twenty peer reviews, including three combined reviews, have been published, containing 149 new recommendations. This brings the total number of published reports to 79. In addition, 6 new supplementary reports have been adopted which have fully addressed 33 recommendations. Another 17 peer reviews have been launched. Jurisdictions continue to report significant changes following Phase 1 recommendations and as a result 2 supplementary reviews are underway. One of the clearest signs of progress has been the response of jurisdictions in respect of which the Global Forum has determined that changes must be made before they can undergo a Phase 2 review.

The membership of the Global Forum continues to grow and we have 3 new members, Lithuania, Latvia and Tunisia. With these new jurisdictions joining, the membership of the Global Forum now stands at 109. The interest in the membership is at an all time high and several new jurisdictions are expected to join in the coming months.

This report takes into account the progress made in the work of the Global Forum since its November 2011 report. It also marks the beginning of the second phase of the Global Forum's peer review process.

The peer review process examines the legal and regulatory framework of member jurisdictions (Phase 1 reviews) and the actual implementation of the international standard of transparency and exchange of information in practice (Phase 2 reviews). The review outputs include determinations regarding the availability of any relevant information in tax matters (ownership, accounting or bank information), the appropriate power of the administration to access the information and the administration's capacity to deliver this information to any partner which requests it. When jurisdictions report on changes that are likely to significantly address the deficiencies identified in the peer review, the Global Forum conducts supplementary reviews which examine and report on these changes.

With 79 jurisdictions already reviewed, and 17 other reviews underway, the Global Forum is reaching the end of the Phase 1 reviews. The stand-alone Phase 2 reviews, which will examine what happens in practice, are being launched in the second quarter of 2012. These reviews will provide in-depth investigations into the procedures and resources available for the exchange of information. In contrast to Phase 1, overall ratings on jurisdictions' compliance with the standards will be provided once a representative subset of Phase 2 reviews is completed. It is expected that the first stand-alone Phase 2

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.

reviews will be published in 2013 and that more than 50 Phase 2 reviews will be completed by the end of the same year.

Level of cooperation

Overall, the quality of cooperation within the Global Forum has been very satisfactory, with new members joining and more and more jurisdictions implementing policy and legislative changes that address the deficiencies identified in their reviews. The membership of the Global Forum, which stood at 106 in November 2011, has now increased to 109. The quality of cooperation is also attested by the growing number of jurisdictions asking for supplementary reviews which acknowledge the improvements they have made. To date the Global Forum has conducted 13 supplementary reviews and two more are underway. As a result of supplementary reviews, six jurisdictions that were previously unable to move to Phase 2 have been able to progress as the changes introduced to their legislation improved elements critical to exchange of information.

Level of Compliance

The 79 reviews and 13 supplementary reviews completed so far show that members have a strong commitment to the standards as well as a good level of compliance with them. However, nearly all peer reviews to date also show that improvements are needed, with 32 reports concluding that one or more elements essential for the effective exchange of information are not in place. Where these deficiencies are serious, the move to the Phase 2 reviews have been put on hold.

Eleven jurisdictions will move to a Phase 2 only when they have addressed 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. Indeed, most of the jurisdictions where deficiencies have been identified, including those which have had their phase 2 assessments postponed, have already started to take action following their assessment and 15 jurisdictions have already completed or requested supplementary reports to reflect these changes. In some other jurisdictions changes are currently underway. This shows that the process is successful in encouraging jurisdictions to move towards comprehensive and effective compliance with the standard.

Room for further improvements

While jurisdictions have moved quickly to address the deficiencies identified in their peer reviews, there remains room for improvement. A number of jurisdictions have been encouraged to speed up their processes for responding to requests, taken steps to ensure the availability of all relevant ownership and accounting information, as well as improve their competent authorities' powers to access information for exchange of information purposes.

It is important to note that the peer reviews are an on-going and dynamic process. The findings of the 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.

As it begins the next phase of its work, the Global Forum looks forward to reporting back to the G20 in 2013 and 2014 on the further progress made in achieving a fairer and more transparent tax environment and in particular on the implementation of the standards in practice.

MOVING TO THE NEXT PHASE

JUNE 2012 PROGRESS REPORT TO G20 LEADERS BY THE GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES²

1. After its Mexico meeting in September 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 which was delivered at the November, 2011 Cannes Summit. At that summit, the G20 leaders welcomed 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. In February 2012 and April 2012, the G20 Finance Ministers and Central Bank Governors called on the Global Forum to present to the leaders another report on the progress made in relation to the latest batch of peer reviews. This progress report represents an update on the work of the Global Forum to date. It also marks the beginning of the next phase of the Global Forum's work which will assess jurisdictions' practical implementation of the international standards for transparency and exchange of information.

2. The Global Forum's peer review process, established with the support of the G20, has produced real change. All Global Forum member jurisdictions have committed to implementing the internationally agreed standard on transparency and exchange of information with hundreds of agreements signed and many others being negotiated since the London G20 summit. Many members have adopted domestic legislation to permit effective exchange of information. Membership of the Global Forum has increased over the last year to 108 member jurisdictions plus the European Union and 9 observers.

3. The rate of change, triggered by the peer reviews, has been very rapid, and many reviewed jurisdictions have requested a supplementary review to evaluate the steps they have taken to address recommendations included in their initial review. So far, 15 jurisdictions have undergone, or are undergoing, supplementary reviews, with 13 reports already having been adopted so far.

4. 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. The findings of the reviews described in this report serve as a guide for jurisdictions towards the implementation of international standard and ultimately towards achieving effective and comprehensive information exchange practices.

5. The peer review process comprises two phases. Phase 1 reviews assess the quality of a jurisdiction's legal and regulatory framework for the effective exchange of information, while Phase 2 reviews look at the application of the standards in practice. Some Global Forum members undergo combined – Phase 1 and Phase 2 – reviews. The Phase 1 reviews are almost complete and the focus is now on the upcoming Phase 2 reviews. Around 50 of these phase 2 reviews are expected to be completed by the end of 2013. Through the Phase 2 reviews, the Global Forum will examine whether jurisdictions' implementation of the international standard is effective in practice. In contrast to Phase 1, one of the outcomes of Phase 2 review will be to provide overall ratings of jurisdictions' compliance with the standards. In order to ensure that application of the ratings system is consistent across jurisdictions, Phase 2 reviews for a subset of jurisdictions representing a geographic and economic cross-section of the Global Forum will need to be completed before finalising ratings. However, the ultimate goal is to help

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jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes and ratings are only one component of this.

Background - The Role of the Global Forum

6. The Global Forum is tasked with promoting the effective implementation of the internationally agreed standard on transparency and exchange of information.³ 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 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 assesses the jurisdiction against the ten essential elements which comprise the standard.⁴

The international standard

7. 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 regard to bank secrecy or 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.

8. The standard of transparency and exchange of information, which is 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:⁵

- the element is in place;
- the element is in place, but certain aspects of the legal implementation of the element need improvement; or

³ 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 Model Convention 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.

⁴ See Annex IV describing the Terms of Reference's 10 essential elements.

⁵ The 10th element on the timeliness of the information exchange is assessed only in a Phase 2 review.

- the element is not in place.

9. 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.

10. Phase 2 reviews assess the same 10 elements as Phase 1 reviews, except that the reviews assess information exchange in practice. Each element will receive a rating, ranging from Compliant, to Largely Compliant, to Partially Compliant to 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 that they will only begin on a wide scale in the second half of 2012 and ratings will be assigned only after a representative subset of Phase 2 reviews have been completed.

Quality of Cooperation and Levels of Compliance

Membership

11. 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 comprises 108 member jurisdictions, the European Union and 9 observers (see Annex III). In just two and a half years, the Global Forum has, with the political support of the G20, put in place mechanisms 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 work⁶: Botswana, Former Yugoslav Republic of Macedonia, Ghana, Jamaica, Lebanon, Qatar and Trinidad and Tobago. All jurisdictions identified as such have now committed to implementing the standard and have joined the Global Forum, except for Lebanon. Lebanon has nevertheless engaged with the Global Forum and its peer review was completed in June 2012. Finally, a number of jurisdictions eager to benefit from the new environment of transparency have affirmed their commitment by becoming members of the Global Forum, Latvia, Lithuania and Tunisia being the most recent. Several other jurisdictions have expressed their interest to join the Forum, which reflects the significance and relevance of the work undertaken by the Global Forum.

Review Outcomes

12. So far, the Global Forum has launched 96 peer reviews and adopted 79 reports. Of the 79 reviews completed, 59 are Phase 1 reviews and 20 are combined reviews (that is, both a Phase 1 and Phase 2 review conducted simultaneously). Another 17 reviews are currently being conducted (4 of which are combined) and should be completed in 2012.

13. The 79 reports adopted and published by the Global Forum have given rise to 710 determinations. Of the 710 determinations made, 495 elements have been found to be “in place”, 150 elements are “in place, but”, and 65 elements are “not in place”. Overall, a total of 495 recommendations have been made. As a result of the issues raised during the Phase 1 review, 17 jurisdictions could not initially move on to a Phase 2 review. In three reviews jurisdictions were found to have two elements not in place and progress to Phase 2 is subject to conditions.

⁶ Jurisdictions that may gain a competitive advantage if they do not implement the standard or participate in the Global Forum.

14. Reviewed jurisdictions are expected to report within 6 to 12 months following their review on how they have addressed any deficiencies to support this process of change. Where a jurisdiction has made significant progress in addressing deficiencies which were identified in the initial Phase 1 report, the Global Forum may issue a supplementary Phase 1 report to reflect the progress. To date, 13 supplementary reviews have been completed⁷ and another 2 have been launched upon request from the reviewed jurisdictions.⁸ Out of the 13 completed supplementary reviews, 7 are of jurisdictions which initially could not move to Phase 2: Antigua and Barbuda, Barbados, Belgium, British Virgin Islands, San Marino, Seychelles and Turks and Caicos Islands. In each case, the Global Forum approved that the jurisdiction could now move to a Phase 2 review.

15. Peer reviews of 30 jurisdictions have not yet been completed. Out of these, 17 reviews have already been launched. Many of these relate to jurisdictions that joined the Global Forum after 2009 and where the reviews have been scheduled later so that the jurisdictions concerned can better prepare.

Jurisdictions' overall compliance with the standard

16. 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 gives a breakdown of the number of jurisdictions by the number of elements not in place. Table 3 provides a further breakdown of jurisdictions showing the number of elements that are in place, but needing improvement. As is seen from table 2, out of the first 79 peer reviews, 32 jurisdictions were found to have one or more element not in place. Out of the remaining 47 jurisdictions, 35 had elements which needed improvements. Overall, the situation is diverse and requires a fair amount of follow up from member jurisdictions and monitoring by the Global Forum. A detailed summary of the outcome of each jurisdiction's review is in Annex 2.

⁷ Antigua and Barbuda, Barbados, Belgium, Bermuda, British Virgin Islands, the Cayman Islands, Estonia, Mauritius, Monaco, Qatar, San Marino, Seychelles, and Turks and Caicos Islands.

⁸ Monaco and Panama.

Table 1: Phase 1 recommendations

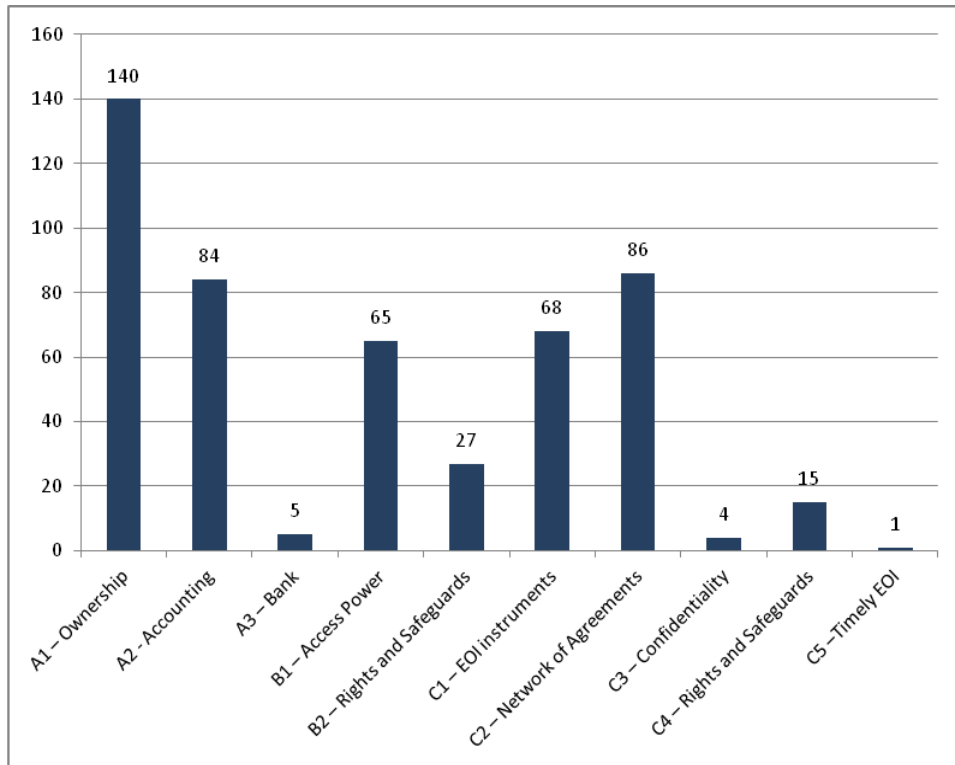


Table 2: Distribution of jurisdictions based on the number of elements not in place

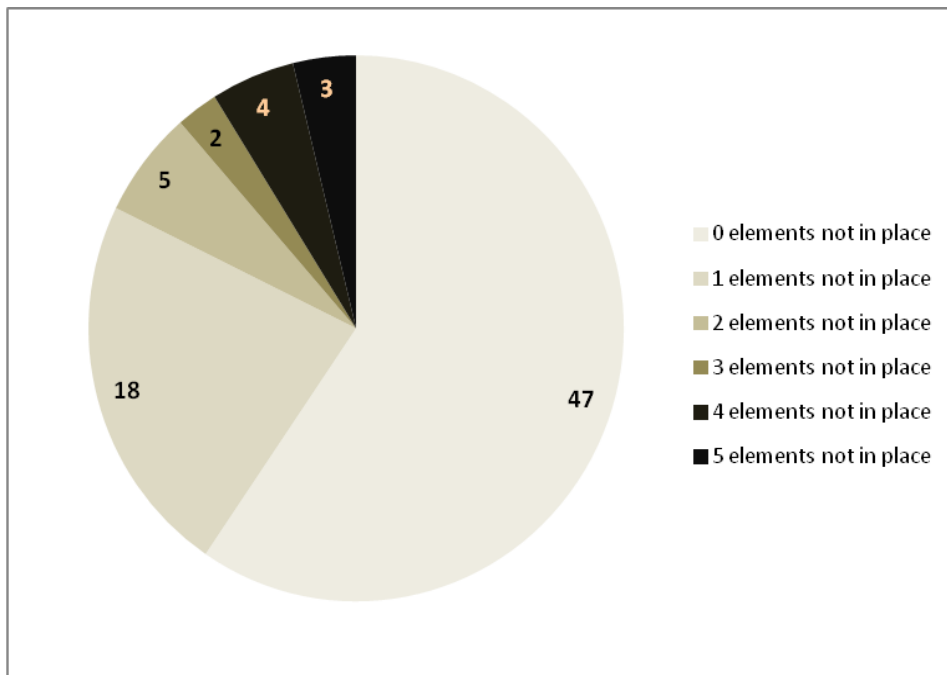
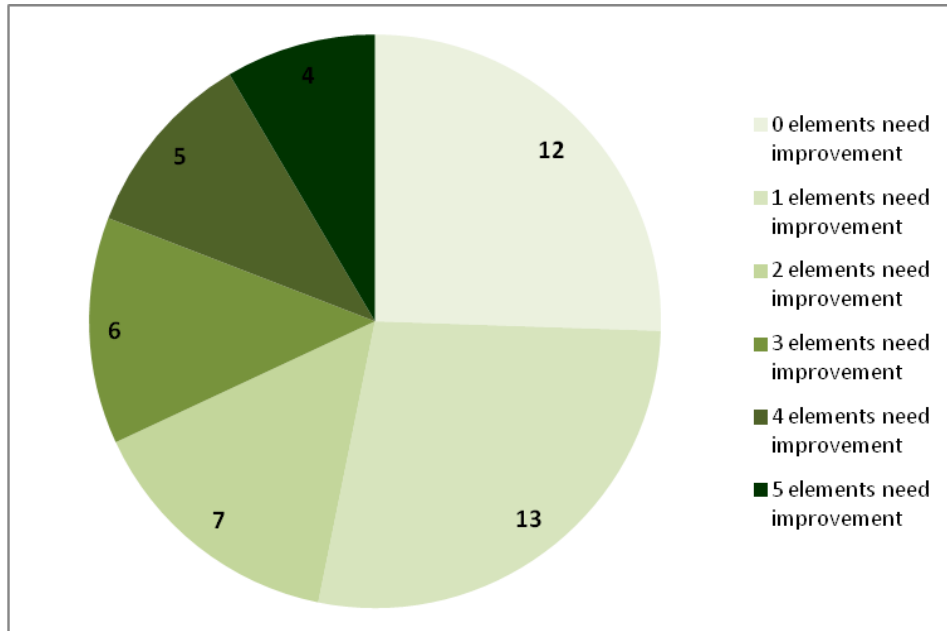


Table 3: Distribution of elements needing improvement for jurisdictions with all elements in place or in place, but needing improvement



17. 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.

18. 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.

19. As can be seen from Table 3 above, there are 12 jurisdictions where all elements are in place with no significant improvements needed in any of them (Australia, China, France, India, Ireland, Isle of Man, Italy, Japan, Malta, Norway, Qatar, and the Seychelles). A further 20 jurisdictions will need to improve one or two elements (Belgium, Bermuda, Brazil, Canada, Cayman Islands, Denmark, Estonia, the Former Yugoslav Republic of Macedonia, Germany, Greece, Guernsey, Republic of Korea, Mauritius, Mexico, the Netherlands, New Zealand, Saint Kitts and Nevis, Spain, Turks and Caicos, and the United States). Eleven jurisdictions will have to improve three or four elements (Bahrain, Chile, Curacao, Ghana, Hong Kong

China, Jersey, Macao China, the Philippines, San Marino, Singapore and Slovak Republic). Finally, four jurisdictions will have to improve five elements (Andorra, Aruba, Barbados and Malaysia).

20. Of the jurisdictions where one or more elements were found not to be in place, the peer reviews reveal the following. With respect to 18 jurisdictions one element was found not to be in place: Antigua and Barbuda and The Bahamas (availability of accounting information), which do not need to make significant improvements in any other element; British Virgin Islands, Cook Islands, Gibraltar, Montserrat and Saint Vincent and the Grenadines (availability of accounting information), which all need to make improvements in one other element; Anguilla (availability of accounting information), which needs to make improvements in two other elements; Luxembourg and Czech Republic (availability of ownership and identity information), which both need to make improvements in two other elements; the United Kingdom (access to information), which needs to make improvement in two other elements; Monaco and Saint Lucia (availability of accounting information), which need to make improvement in three other elements; Austria (availability of ownership information) which needs to make improvements in four other elements; Cyprus⁹ and Grenada (availability of accounting information), which need 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.

21. Jamaica was found to have two elements not in place (access to information and exchange of information mechanisms to the standard) with the need to make improvements in three other elements. However, Jamaica was found to be able to proceed to its Phase 2 review.

22. In another three cases, jurisdictions were found to have two elements not in place and progress to Phase 2 is subject to conditions. 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); this is reflected in Belgium's supplementary report. 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. Liechtenstein has indicated that it has changed its legislation on accounting requirement and intends to amend it on some other issues since its Phase 1 review and requested a supplementary report. Finally, 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 bringing a significant number of its EOI agreements into line with the standard and adoption of an interpretation of all its new treaties in line with

⁹ Note by Turkey: The 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 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 reference relates to the area under the effective control of the Government of the Republic of Cyprus.

the international standard. Since its initial report Switzerland indicates that it has adopted bills to address this issue, concluded further treaties fully in line with the standard, introduced bills to address other deficiencies and has started negotiating TIEAs.

23. In the case of eleven other jurisdictions (Botswana, Brunei, Costa Rica, Guatemala, Lebanon, Liberia, Panama, Trinidad and Tobago, United Arab Emirates, Uruguay and Vanuatu), two or more than two elements were found to be not in place and 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. 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 six jurisdictions (Antigua and Barbuda, Barbados, the British Virgin Islands, the Seychelles, Turks and Caicos Islands and San Marino) were also in this category. Each of these six jurisdictions has subsequently introduced improvements that have been assessed in supplementary reports, and may now move to a Phase 2 review.

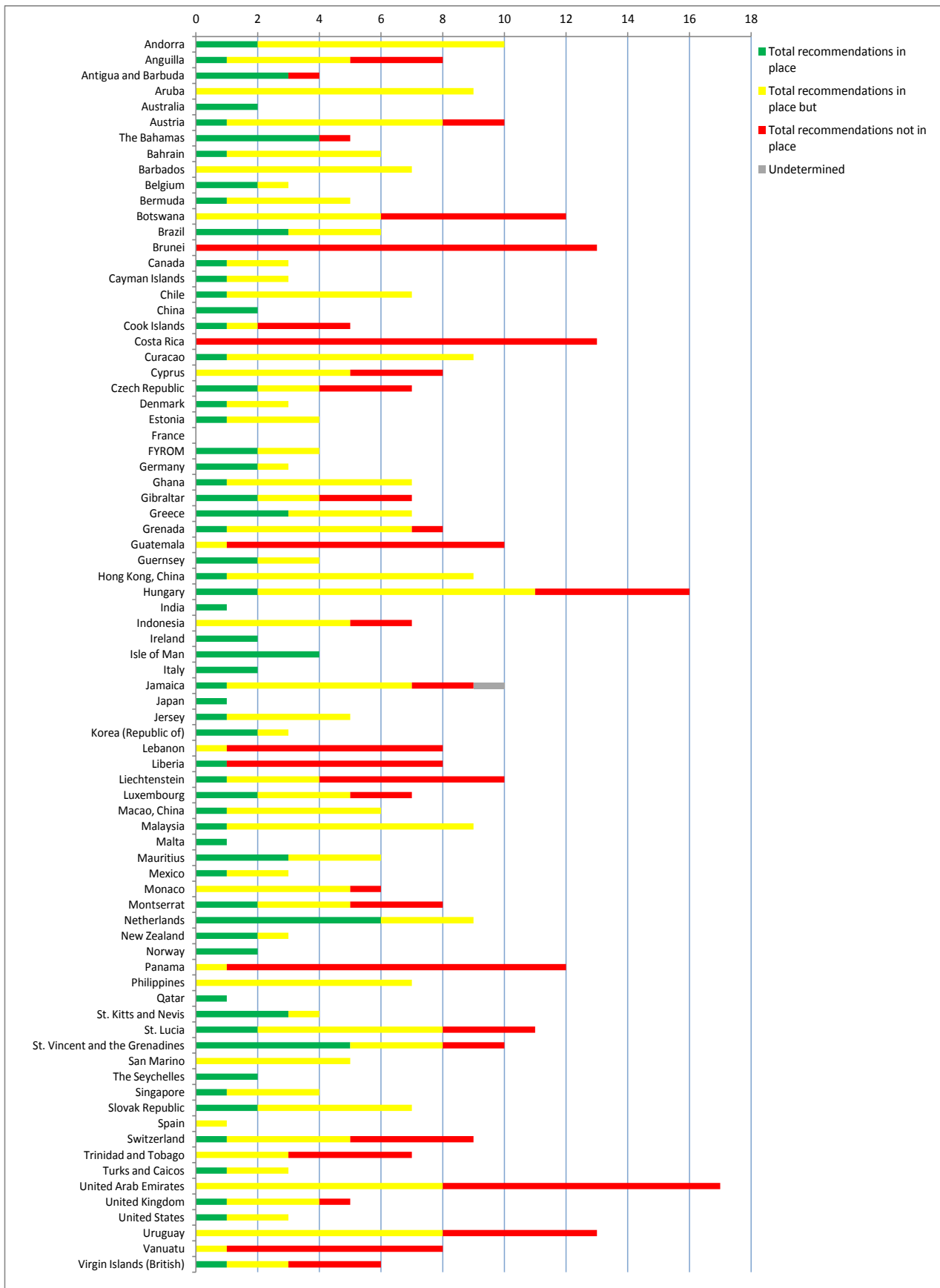
24. In the case of Liberia, it was determined that two elements were not in place (availability of ownership information, and accounting information), with no other elements that need improvement. In Uruguay, two elements were not in place (availability of ownership information, and a network of exchange of information with relevant partners), with five more elements that need improvement. In Trinidad and Tobago, three elements were found not to be in place (power to access 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 United Arab Emirates, three elements were found not to be in place (accounting information, power to access information and exchange of information mechanisms to the standard), with three other elements that need improvement. In Lebanon, four elements were found not to be in place (availability of ownership information, power to access information, exchange of information mechanisms to the standard and a network of exchange of information mechanisms with all relevant partners) and one element that needs 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 Guatemala, four elements were found not to be in place (availability of ownership information, power to access information, exchange of information mechanisms to 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, Costa Rica and Panama 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 Panama, a supplementary review has been launched and the action taken by this jurisdiction will be considered in the supplementary review. Botswana, Brunei, Trinidad and Tobago and Uruguay have provided follow-up reports to the Peer Review Group indicating the changes they are each preparing to make. Follow-up reports are due to be provided by Costa Rica and Guatemala in September 2012, and by Lebanon, Liberia and United Arab Emirates in December 2012.

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

Recommendations per jurisdiction

25. 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”.



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

Common trends on the legal and regulatory framework

(A) Availability of information

27. While jurisdictions have started addressing deficiencies relating to the availability of information, there is room for further improvement. The elements relating to the availability of ownership and accounting information are in place in only 24 (ownership information) and 39 (accounting information) jurisdictions respectively. The deficiencies identified in these areas have resulted in determining the element was not in place in 13 cases (ownership information) and 19 cases (accounting information). These deficiencies have given rise to a total of 224 recommendations (140 for ownership information and 84 for accounting information). In a number of jurisdictions, there are no obligations to maintain information on offshore activities. 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.

(B) Access to information

28. Access powers granted to competent authorities for exchange of information purposes are sufficient in most cases with the element found to be not in place in only 12 cases. The main issues are the retention of a domestic tax interest requirement, a lack of power to access offshore business information, and domestic restrictions on access to 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 foreseeably relevant request to be satisfied, provided the taxpayer can be identified through other means. Jurisdictions where such a restriction has been identified are introducing new legislation or amending their treaties to bring them into line with the standard.

(C) Exchange of Information Mechanisms

29. The key deficiencies identified in respect of jurisdictions' exchange of information mechanisms are in relation to not having the legislation in place to give legal effect to these mechanisms (e.g. arising from deficiencies in the competent authority's access powers) and not completing the necessary ratification procedures to bring the signed exchange of information agreements into force. 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 reviewed so far.

30. As regards the size and relevance of the treaty networks, major progress has been made with more than 800 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 resist 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 number is declining with some members

having committed to change their policies in respect of concluding TIEAs and have brought in laws to implement this policy.

Common trends on combined reviews

31. A total of 20 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 assigned by the Global Forum. Nonetheless, recommendations on the Phase 2 aspects have been made where appropriate. The main finding so far in several cases has been that information exchange is too slow and jurisdictions need to take steps to expedite the process.

The effectiveness of information exchange

32. The experience of the Global Forum peer reviews shows that the best way to guarantee effective implementation is through a rigorous peer review and follow up process. 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 authority units 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 across the board, including in those jurisdictions which have a long-standing practice in tax cooperation.

33. 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 May 2012, the first meeting of competent authorities was held in Madrid. Participants from 78 competent authorities exchanged views on practical issues such as how to build up good working relationships with EOI partners and how to ensure the confidentiality of information exchanged, as well as on best practices that will assist in ensuring effective exchange of information. Effective exchange of information is about cooperation, and these meetings promote greater contact, interaction and dialogue between the officials in charge of making sure the standard is implemented.

Countering the Erosion of Developing Jurisdictions' Tax Bases

34. 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. This report was adopted by the Global Forum in August 2011 and was delivered to the Development Working Group and the G20 Presidency early in September 2011. 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.

35. Since that report was delivered, two year pilot projects aimed at providing in-depth technical assistance to Ghana and Kenya to help them implement the international standards have been launched in cooperation with the World Bank and with support from the UK's Department for Overseas Development. In the case of Ghana the German Development Co-operation is also supporting the work. Already, experts from the Global Forum Secretariat have visited both countries and agreed project plans for this work with Ghana's and Kenya's officials. Representatives of both Ghana and Kenya have also participated in Global Forum training events.

36. In order to facilitate the coordination of technical assistance in the areas covered by the Global Forum, a Coordination Platform to enhance cooperation with international organisations and development agencies was launched in February of 2012. This is a secure website which can be used by international organisations and development agencies to identify jurisdictions that need assistance, to locate partners for their own assistance activities and to promote awareness of upcoming events and training seminars related to tax transparency and exchange of information.

Supporting the work of the Global Forum: Training, Outreach and Advisory Services

37. The Global Forum also continues to develop its training and advisory services in conjunction with other international organisations. Commencing in 2011 with a 3-day seminar in Jamaica, the Global Forum has provided a series of training 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 these seminars have been regionally focused: with courses in the Caribbean, Asian and African regions all of which were organised in cooperation with the World Bank. The Global Forum Secretariat also provides or participates in training activities focussed on particular member jurisdictions – most recently in a technical seminar in Jamaica in March 2012 organised by CIAT to assist Jamaica implement the standards.

38. 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.

39. 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 January 2012 in Buenos Aires. 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.

40. In addition, the Global Forum may provide advisory services to assessed jurisdictions when needed. For instance, advice may be requested regarding preparations for peer reviews, and in implementing recommendations made during the course of a review including analysing aspects of a jurisdiction's legal framework such as draft legislation. Since early 2011 to end May 2012, in the course of peer reviews, the Secretariat has responded to 36 requests for advisory assistance from 41 member jurisdictions.

The Next Phase

41. In just two and a half years, the Global Forum has established itself as the largest international tax grouping in the world with 109 members and has completed peer reviews of the vast majority of those members. As a result of its work, many jurisdictions have improved their legal and regulatory infrastructure for transparency and exchange of information in tax matters and others are in the process of doing so. As it comes towards the end of its first mandate, members' attention will now turn to the next stage of the work which are the Phase 2 reviews. These focus on the application of the standards in practice. 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. This can only be determined at the end of the Phase 2 reviews. The challenge now is to build on the success that has already

been achieved to enhance tax cooperation in practice throughout the world. The Global Forum, with the strong support of the G20, and other international partners, looks forward to this challenge.

ANNEX I: G20 SUPPORT FOR THE GLOBAL FORUM'S WORK ON TRANSPARENCY AND EXCHANGE OF INFORMATION

G20 Finance Ministers and Central Bank Governors' Declaration, April 2012

“We reiterate our call upon all countries to join the Global Forum on transparency and to sign on the Multilateral Convention on Mutual Assistance. We look forward to an interim report by the OECD for the Los Cabos Summit on progress made and on a new set of reviews and on necessary steps to improve comprehensive information exchange.”

G20 Finance Ministers and Central Bank Governors' Declaration, February 2012

“We look forward to a report to our Leaders by the Global Forum on Transparency and Exchange of Information on progress made and on a new set of reviews. We call upon all countries to join the Global Forum on transparency and to sign on the Multilateral Convention on Mutual Assistance. We call for an interim report and update by the OECD on necessary steps to improve comprehensive information exchange, including automatic exchange of information and, together with the FATF, on steps taken to prevent the misuse of corporate vehicles and improve interagency cooperation in the fight against illicit activities.”

G20 leaders' Declaration, November 2011

“In the tax area, we welcome the progress made and we urge all the jurisdictions to take the necessary actions to tackle the deficiencies identified in the course of the reviews by the Global Forum, in particular the 11 jurisdictions identified by the Global Forum whose framework has failed to qualify. We underline the importance of comprehensive tax information exchange and encourage work in the Global Forum to define the means to improve it.”

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 + Supplementary	In place	Not in place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
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
9	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
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 + Supplementary	In place, but	In place, but	In place	In place	In place	In place	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”.

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
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	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
14	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
15	Canada	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
16	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
17	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
18	China	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
19	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
20	Costa Rica	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
21	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
22	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
23	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
24	Denmark	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
25	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

 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”.

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
26	France	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
27	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
28	Germany	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
29	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
30	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
31	Greece	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
32	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
33	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
34	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
35	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
36	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
37	India	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
38	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
39	Ireland	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-


 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”.

THE GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES – PHASE 1 (LEGAL AND REGULATORY FRAMEWORK)

	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		
40	Isle of Man	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
41	Italy	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
42	Japan	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
43	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	In place	Not assessed	Yes
44	Jersey	Combined	In place	In place, but	In place	In place, but	In place	In place, but	In place	In place	In place	In place	Not assessed	-
45	Korea, Republic of	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
46	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	In place	Not assessed	No
47	Liberia	Phase 1	Not in place	Not in place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	No
48	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	In place	Not assessed	Conditional
49	Luxembourg	Phase 1	Not in place	In place	In place	In place, but	In place	In place, but	In place	In place	In place	In place	Not assessed	Yes
50	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	In place	Not assessed	Yes
51	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	In place	Not assessed	Yes
52	Malta	Phase 1	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
53	Mauritius	Combined + Supplementary	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-

 The element is “in place”.


 The element is “in place, but certain aspects of the legal implementation of the element need improvement”.

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THE GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES – PHASE 1 (LEGAL AND REGULATORY FRAMEWORK)


	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		
54	Mexico	Phase 1	In place, but	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
55	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	In place	Not assessed	Yes
56	Montserrat	Phase 1	In place, but	Not in place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	Yes
57	Netherlands	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
58	New Zealand	Combined	In place, but	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
59	Norway	Combined	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place	Not assessed	-
60	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	
61	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	
62	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	
63	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	
64	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	
65	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	
66	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	


 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”.

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
67	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
68	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
69	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
70	Spain	Combined	In place	In place	In place	In place	In place	In place	In place, but	In place	In place	Not assessed	-
71	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
72	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
73	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
74	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
75	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	-
76	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	-
77	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
78	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
79	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

 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”.

ANNEX III MEMBERS OF THE GLOBAL FORUM

ANDORRA	GIBRALTAR	NIGERIA
ANGUILLA	GREECE	NIUE
ANTIGUA & BARBUDA	GRENADA	NORWAY
ARGENTINA	GUATEMALA	PANAMA
ARUBA	GUERNSEY	PHILIPPINES
AUSTRALIA	HONG KONG, CHINA	POLAND
AUSTRIA	HUNGARY	PORTUGAL
THE BAHAMAS	ICELAND	QATAR
BAHRAIN	INDIA	RUSSIAN FEDERATION
BARBADOS	INDONESIA	SAMOA
BELGIUM	IRELAND	SAN MARINO
BELIZE	ISLE OF MAN	SAUDI ARABIA
BERMUDA	ISRAEL	SEYCHELLES
BOTSWANA	ITALY	SINGAPORE
BRAZIL	JAMAICA	SLOVAK REPUBLIC
BRUNEI	JAPAN	SLOVENIA
CANADA	JERSEY	SOUTH AFRICA
CAYMAN ISLANDS	KENYA	SPAIN
CHILE	KOREA	ST. KITTS AND NEVIS
CHINA	LATVIA	ST. LUCIA
COLOMBIA	LIBERIA	ST. MAARTEN
COOK ISLANDS	LIECHTENSTEIN	ST. VINCENT AND THE GRENADINES
COSTA RICA	LITHUANIA	SWEDEN
CURACAO	LUXEMBOURG	SWITZERLAND
CYPRUS	MACAU, CHINA	TRINIDAD AND TOBAGO
CZECH REPUBLIC	MALAYSIA	TUNISIA
DENMARK	MALTA	TURKEY
DOMINICA	MARSHALL ISLANDS	TURKS AND CAICOS
EL SALVADOR	MAURITANIA	UNITED ARAB EMIRATES
ESTONIA	MAURITIUS	UNITED KINGDOM
EUROPEAN UNION	MEXICO	UNITED STATES
FINLAND	MONACO	URUGUAY
FORMER YUGOSLAV REPUBLIC OF MACEDONIA	MONTSERRAT	VANUATU

FRANCE	MOROCCO	VIRGIN ISLANDS, BRITISH
GEORGIA	NAURU	VIRGIN ISLANDS, USA
GERMANY	NETHERLANDS	
GHANA	NEW ZEALAND	

June 2012

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

1. 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.
2. 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.
3. The attached schedule of reviews is based on the guidelines set out below.
4. 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.
5. 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.
6. 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.

ANNEX V: SCHEDULE OF REVIEWS

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	Trin. and Tobago	United States	United Kingdom	Saint Kitts and Nevis	Vanuatu	Montserrat	St. Vincent and the Gren.
				Former Yugoslav Republic of Macedonia			Sint Maarten
				Lebanon			

- Phase 1 review
- Phase 2 review
- Combined reviews

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, Kingdom of	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	Turks and Caicos	U. S. Virgin Islands	Costa Rica	Israel	Niue	Poland
Marshall Islands	Slovenia	Malta	Luxembourg	United Arab Emirates	Vanuatu	Guatemala	Liberia	Saudi Arabia	Sint Maarten
Nauru		Qatar	Monaco	Barbados	Indonesia	Mexico	Russian Federation	Cook Islands	El Salvador
Niue		San Marino	Panama	Brunei	Colombia	Montserrat	Saint Kitts and Nevis	Portugal	Mauritania
Poland	Brazil	Singapore	Switzerland	Macao, China	Georgia	Trinidad and Tobago	Saint Lucia	Uruguay	Morocco
US Virgin Islands	Seychelles	The Bahamas		Lithuania	Nigeria	Latvia	St. Vincent and the Gren.	Aruba	
				Kenya			Lebanon		

- Phase 1 review
- Phase 2 review
- Combined reviews