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Welcoming Speech
by
Deputy Secretary General Hecklinger, OECD

Global Forum Meeting in Canada
Government Conference Center

14-15 October 2003

Commissioner Nymark, Ladies and Gentlemen,

It is a great pleasure to be in Ottawa to participate in this Global Forum meeting. I am very pleased to see such a high level of participation and I appreciate that many of you have travelled great distances to be here today. Clearly this reflects the importance we all attach to the issues we will discuss over the next two days.

I would also like to convey, on behalf of all of us, our sincere thanks to Commissioner Nymark and his colleagues in the Canadian government for their warm hospitality and superb organisation in hosting this meeting.

We live in an age of global finance. In the last ten or fifteen years there has been a dramatic expansion in cross border opportunities and financial flows which has resulted from the opening up of new markets and the development of new financial products and technologies. National borders no longer exist in the minds of many consumers of financial services or indeed in the minds of their suppliers. In today's global market, interdependency is a fact of life.

This interdependence brings mutual opportunities but also mutual responsibilities. Many of the countries represented here today have benefited from the favourable conditions presented by the spectacular growth in international financial markets, such as those for collective funds or securitisation instruments, to expand and diversify their financial services industries. Of course there is no guarantee of success but participation in global markets yields significant benefits to those who can compete successfully.

Participation in international markets also brings with it the responsibility to combat abuses of the open financial market system, whether these practices concern terrorist financing, money laundering, or tax evasion. The continued viability of open financial markets depends on preserving the integrity of the financial system. The integrity of the financial system cannot be ensured without international co-operation. No country can successfully deal with money laundering if others allow it to continue, or to counter tax evasion if others facilitate its commission. Without international rules, or, when existing rules are flaunted, we run the risk of not being able to enforce our own laws, including tax laws. And countries cannot ignore the need to cooperate with other countries in enforcing their tax laws. This is not about one country acting as a tax collector for another: it's about international cooperation and good international relations

between neighbours. We need this cooperation if countries, OECD and non OECD alike, are going to be able to maintain effective sovereignty over the design of their tax systems.

When faced with change there is a natural tendency to try to hang on to the status quo. But this is not a viable approach in today's rapidly changing environment. Neither is it the approach of those with the most successful financial services sectors, who have engaged constructively with the various international organisations currently pursuing initiatives in the financial services area and thereby helped to shape the standards that have been developed. Those who have implemented these standards have sent out the message that they offer services of high quality and are not interested in illicit or shady business.

The participants in this meeting, have tried to provide a framework within which acceptable international standards on transparency and exchange of information for tax purposes can be developed. We were successful in jointly developing the Model Agreement on Exchange of Information for Tax Purposes which some of you have already used in your bilateral arrangements. We have made good progress in developing accounts requirements through the Joint Ad Hoc Group on Accounts. We have agreed that the standards that we have developed together are common standards that we should all apply in our international dealings. These are achievements that many would not have considered possible five years ago and these efforts go a long way towards making the field more level than when we started work in this area.

Our work, however, is not done. At this meeting we will discuss how we can advance further our co-operation, including our efforts towards the goal of a level playing field.

Today we – and I refer to all participating partners – have a process of which we can be proud. It's an inclusive process where the standards are jointly defined and where we work together for their full implementation.

I look forward to our discussions over the next two days. I am sure that in this congenial environment this spirit of cooperation will continue to prevail and that by the end of the meeting we will have confirmed our partnership and commitment to achieving high standards for transparency and information exchange.