

**Address by Hans Eichel,  
Federal Minister of Finance,  
at the opening of the OECD Global Forum  
on 3 June 2004 in Berlin**

Ministers,  
Ladies and Gentlemen,

I am very pleased to be able to welcome you here in Berlin to this important meeting of the Global Forum.

I should also like to express sincere thanks to Foreign Minister Fischer for making these beautiful rooms available to us.

Some of you have travelled halfway around the globe to be present at the meeting. This is greatly appreciated and merits our special thanks.

All who are assembled here today have an important part to play in furthering international cooperation in tax matters. We are glad to be able to make a special contribution to this by hosting today's event.

I know that there is a great deal to be talked about and detailed discussions to be held over the coming two days. But I also hope that some time will remain for you to discover the attractions of our capital city.

The face of Berlin has altered dramatically since the collapse of the Wall in 1989 and the reunification of Germany. There is still a long way to go before this process of change is completed. Perhaps this is why Berlin is eminently suitable as a venue for our meeting. If you look around you will see the signs of a new departure at every turn. There are new buildings to be seen, streets and squares are being refashioned, new ideas are setting new accents.

I believe that in the same way the proposals before us today represent a new departure; they blaze a trail on new paths to a global "level playing-field".

**The aim: a fair international system**

In hosting the Global Forum we are moreover underlining Germany's positive commitment to a fair and balanced international system based on transparency and cooperation through information exchange. I am firmly convinced that we are on the right path.

Germany will continue to promote the standards of international cooperation in tax matters that have been developed over the past few years in the EU, in groups such as the G 7 or the G 20 and in other fora. Putting these standards into effect has not the slightest to do with approximating tax regimes. Many of those who contend that such is our aspiration evidently have a completely different agenda.

## **EU Interest Directive**

Having just mentioned the EU, let me say a few words at this juncture on the EU Interest Directive. Some of you here today have expressed concern at the effects the EU Interest Directive might have on the process of achieving a "level playing-field".

I should like to stress that the Interest Directive and the OECD project are differing projects in terms of content and objective. What is more, no country has been given a commitment, either by a Member State or by the European Commission, that bank secrecy rules will be able to prevent the exchange of information in tax matters for an unlimited period. We are in process of finalising agreements with some countries on the taxation of interest income at source.

But as before, our efforts are directed at achieving an effective exchange of information. This has been stated time and again by the majority of EU Member States. I can assure you that Germany will continue to work towards this end in collaboration with the majority of its partners in the EU. We will be assisted in this by developments at international level, in other words, by the work which you do.

### **International cooperation on taxation is of paramount importance.**

For Germany, it is of paramount importance for progress to be made on international cooperation on taxation. This cooperation is an essential requisite for the application of our tax laws. It is no secret that Germany, in the same way as many other countries, forfeits massive amounts of revenue as a result of tax evasion. A small circle of taxable persons, while enjoying the benefits afforded by our political organisation, takes advantage of the international financial system to avoid paying the dues required from them by our laws. We owe it to our law-abiding taxpayers to make a joint effort to tackle this problem, which cannot be resolved by any one state acting in isolation.

I am well aware that this can be achieved only on the basis of fair and transparent procedures. We must make allowance for the legitimate interests of all financial centres to participate in global competition on equal terms.

The dialogue on which we have now been engaged for some years has brought us closer to our objective: we have put the phase of political rhetoric behind us. We are now taking substantial steps towards agreeing on a productive partnership. I am convinced that you are all prepared in this resolve to work towards attaining our common goals.

But in doing so we should strive to avoid the pitfall of thinking in conflicting categories of "OECD members" versus "non-member countries", but should concentrate on how we can make progress in our work. Above all, we must succeed in winning over other countries to accept the principles of transparency and effective information exchange in taxation matters.

In this context I should like to emphasise the great progress we have made over the past few years in establishing transparency and international cooperation in other areas, for instance in countering money laundering. Many of you have made outstanding contributions in this regard. Those who contend that different rules must be applied in the field of taxation are in fact only intent on continuing to benefit from tax evasion at the expense of others.

## **Valuable achievements by the Sub-Group**

The paper submitted by the Sub-Group on Level Playing-Field Issues affords us the unique opportunity of distancing ourselves from past discussions and turning to quite specific – and in my view realistic – proposals. This will bring us closer to our objective of creating a global “level playing-field”.

Issues connected with the concept of a “level playing-field” have already been discussed in Ottawa and the Cayman Islands. But this time we have access to specific proposals for a comprehensive strategy by which this global “level playing-field” may be set up. I would urge you to focus in your deliberations on the proposals that will enable us to proceed from discussing the concept to taking action to put it into effect.

The Sub-Group responsible for the paper now before us has demonstrated that countries with differing interests can achieve a great deal in working together to attain a common objective. The members of the Sub-Group are in my view to be expressly commended for their excellent work. I have no doubt that their proposals will help to bring us much closer to achieving our objective.

Some countries that we would urgently desire to see involved in the process of creating a “level playing-field” are not represented here today. An important element in our discussions will be the question of how we can motivate these countries to take an active part in the process. I am sure that our cooperation will be instrumental in improving the prospects of gaining the participation of those countries which have not yet accepted our standards.

## **Conclusion**

The overriding aim in the next two days will be to set out the further course of our activities in a spirit of partnership. It is my earnest wish that the Berlin Global Forum will mark the beginning of a new form of constructive and effective global cooperation. Permit me to offer you my best wishes for a successful meeting, and I trust that Berlin will provide a congenial setting.