The OECD has today published its list of uncooperative tax havens. The real success of the project so far is that we have received commitments from 31 jurisdictions to the OECD's principles of transparency and effective exchange of information.

The list identifies those tax havens that have not as yet committed to those principles. OECD member countries will use the list as a basis for the framework of co-ordinated defensive measures now being developed.

The OECD launched its initiative to address harmful tax practices - in member and non-member jurisdictions - in 1998. The report published in April 1998 set out criteria for identifying tax havens. Following initial consultations, it became clear that a number of jurisdictions were interested in co-operating with the OECD in the initiative. In the 2000 and 2001 progress reports we explained how jurisdictions wishing to co-operate could do so. That process reaches an important milestone today.

The 2000 report identified a number of jurisdictions as meeting the tax haven criteria. The result of the bilateral and multilateral discussions we have had is that 31 jurisdictions have taken action to end various harmful tax practices.

The success of this co-operation can already be seen in the models for exchange of information developed jointly by a number of the jurisdictions and the OECD. We are very pleased with the contributions made to this process by Aruba, Bermuda, Bahrain, the Cayman Islands, Cyprus, the Isle of Man, Malta, Mauritius, the Netherlands Antilles, San Marino and the Seychelles.

We look forward to working with all committed jurisdictions on other related issues. We know that they all have concerns about establishing a level playing field. We understand those concerns. Financial services are extremely mobile and it is in no one's interest that harmful activities move to jurisdictions that do not meet acceptable standards of transparency and effective exchange of information. We have gone a long way towards achieving a level playing field as a result of having a very large number of on and offshore financial centres commit to the same principles. And our aim is that the framework of co-ordinated defensive measures applying to uncooperative financial centres prevents them from gaining an economic advantage. Such a framework would not be implemented before April 2003.
The ultimate success of this project will benefit all countries: OECD members and non-OECD economies; developing countries and those with economies in transition. The implementation of the commitments to transparency and effective exchange of information will help to protect tax bases and as a result help developing countries meet the call made in Monterrey for them to mobilise their own domestic resources for development. We also believe that by promoting transparency and greater co-operation between our economies, our work will contribute to efforts to counter money laundering, the financing of terrorism and strengthen the international financial system.

Today’s publication is an important milestone in this project. But it is not the end of the project. We look forward to working with all the jurisdictions towards the twin goals of transparency and effective information exchange. We are disappointed that some jurisdictions have chosen not to make commitments and we will want to maintain contact with them in order to encourage them to do so as soon as possible. We will of course monitor carefully the emergence of any new tax havens.