

Closing Statement

United Kingdom HM Revenue & Customs (HMRC), as host, and the Organisation for Economic Co-operation and Development (OECD)
8 November 2017

Building a global response to tax crime

More than 200 tax crime and economic crime experts came together over the last two days to discuss ways to tackle these crimes more effectively at the Fifth OECD Forum on Tax and Crime, in London.

The Forum, which brought together experts from more than 65 countries and international organisations on tax and economic crime areas including tax, customs, anti-corruption, anti-money laundering, police, and prosecutors, underlined the threat that tax and economic crime poses to national and international finances, society, and security.

Success through collaboration

Data-leaks such as the Panama Papers of last year and the 'paradise papers' just this week demonstrate that tax fraud is a global issue requiring a global response. Opaque offshore structures across several jurisdictions make it harder than ever to track fraud, but by using cutting edge technology, sophisticated risking tools and highly skilled staff, tax crime authorities are working together to meet these challenges head on.

To tackle these issues, the OECD and its partners have worked together to:

- Set the global standard for tax transparency and exchange of information, with the Global Forum on Transparency and Exchange of Information for Tax Purposes assessing almost 150 jurisdictions around the world on their compliance with the standard, helping to ensure that the identity of beneficial owners of companies, trusts, and partnerships is available to tax authorities when needed;
- Develop a global standard on regular and automatic exchange of financial account information which is now being implemented by more than 100 jurisdictions, meaning the ownership of bank accounts and other financial accounts around the world are more transparent and harder to hide;
- Share best practice and collaborate on mobilising a 'whole of government' response to financial crime, capitalising on the potential of data and technology to uncover fraud, taking action against the professional enablers that tax fraud relies upon, and building capacity to respond to these issues across the world.

Participants at the conference from around the world emphasised the importance of internationally co-ordinated work on combatting tax crimes and other financial crimes, and welcomed efforts to proceed on the following five point action plan:

1. Focus on targeted responses to professional enablers.

Although professional advisors and intermediaries can play a really important role in helping the financial system run smoothly, some of the recent big data leak stories show that a number of professionals enable some of the most complex and global forms of tax crime. At the Forum, participants considered a broad range of possible approaches to professional enablers, including supervisory and regulatory, designing criminal liability regimes, and targeted strategies, including the OECD's work on the mandatory disclosure of schemes that avoid the Common Reporting Standard (CRS) and opaque offshore structures imposed on professional intermediaries, as mandated by the [G7 Bari Declaration on Fighting Tax Crimes and Other Illicit Financial Flows](#). As a matter of priority, the OECD will increase efforts in this area.

2. Increase inter-agency co-operation across governments to partner in the fight against financial crime.

Building a comprehensive global response to tax crime cannot be achieved by one part of government, or one country alone: instead government agencies must work in partnership. Conference participants welcomed the progress that has been made on implementing the "whole of government approach" to combatting financial crime, and welcomed the Third Edition of the OECD report on [Effective Inter-Agency Co-operation in Fighting Tax Crime and Other Financial Crimes](#) launched at the Forum. The report brings together much that has been learnt about what works and provides governments a clear roadmap of the current landscape for inter-agency co-operation in over 50 jurisdictions and identifies successful practices for improving the effective prevention, detection, investigation, and prosecution across government of all forms of financial crime. Countries are called on to review their mechanisms for information sharing and co-operation with a view to removing barriers to the whole of government approach.

3. **See the full picture – implement the Ten Global Principles necessary for fighting tax crime.**
The Forum agreed that countries must have all of the key building blocks which are needed to effectively fight tax crimes, including the legal, strategic, organisational, and operational measures. For the first time, the core requirements have been identified, set out in the new OECD report on [Fighting Tax Crime: The Ten Global Principles](#). This provides countries around the world with clear benchmarks and highlights best practice around the world. Conference participants looked forward to further work in this area, including contributions from a wide range of jurisdictions in order to build a comprehensive picture of implementation of the 10 Global Principles.
4. **Improve international co-operation amongst agencies fighting tax crimes.**
In the era of “big data” there are multiple sources of data held by different agencies and countries which can be relevant to uncovering financial crime. Where the threat is international, we need fast, secure and effective ways for tax crime investigators to share intelligence and information with their international counterparts. The OECD will take steps to facilitate this kind of international information and intelligence sharing amongst tax crime investigators such as through FCInet and to support effective use of data.
5. **Strengthen capacity building for all to effectively combat financial crimes.**
Modern tax crime and other financial crimes are often conducted across domestic borders. This means collaboration is key to responding to tax crimes and stopping the illicit flow of money across our borders. For this reason, many jurisdictions and development agencies have committed to building capacity to investigate tax crimes effectively, including in connection with the sustainable development goals and the Addis Tax Initiative. Participants supported the significant efforts being made through the [OECD International Academy for Tax Crime Investigation](#), including the special support of Germany and Italy in establishing the Pilot Africa Academy Programme for Tax and Financial Crime Investigation. Participants applauded the additional funding commitments made by the United Kingdom and the Netherlands at this Fifth Forum. Participants will consider how their own jurisdiction can participate in these efforts, including in efforts to expand the activities of the Academy.

Simon York, Director of Fraud Investigation Service at HM Revenue and Customs, UK said:

“Tax evasion is a serious issue. As well as the harm it causes to society we know that it is closely linked to money-laundering, organised crime, corruption and terrorist financing. This Fifth Forum is a central part of how we put in place the cooperation and international responses that are needed to tackle these threats.”

Grace Perez-Navarro, Deputy Director of the OECD’s Centre for Tax Policy and Administration said:

“Financial crimes affect countries around the world. Criminals operate across international boundaries, constantly trying to find new ways to break the law, and hide their illicit profits. The most effective response is partnership. Partnership between countries, partnership across different parts of government, and partnerships between policy-makers and operational leaders.”

For more background on the OECD, and the whole of government approach launched by the Oslo Dialogue see www.oecd.org/ctp/crime/about-tax-and-crime.htm. For more information on the work of the OECD International Academy for Tax Crime Investigation, see www.oecd.org/ctp/crime/tax-crime-academy.htm.

Participants warmly thanked the United Kingdom for hosting the events and look forward to advancing this important agenda. More information on the Fifth Forum on Tax and Crime and the publications released this week can be found at: www.oecd.org/ctp/crime/forum-on-tax-and-crime.htm.

Participation

Jurisdictions

- Argentina
- Armenia
- Australia
- Austria
- Bangladesh
- Belarus
- Belgium
- Brazil
- Canada
- Cayman Islands
- Chile
- Comores
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Georgia
- Germany
- Ghana
- Greece
- Guernsey
- Hungary
- Iceland
- India
- Indonesia
- Ireland
- Italy
- Japan
- Kenya
- Korea
- Latvia
- Liechtenstein
- Luxembourg
- Malaysia
- Mexico
- Namibia
- The Netherlands
- Nigeria
- Norway
- Pakistan
- Peru
- Poland
- Rwanda
- The Seychelles
- Sierra Leone
- Singapore
- Slovenia
- South Africa
- Spain
- Sri Lanka
- Sweden
- Switzerland
- Tanzania
- Tunisia
- Uganda
- Ukraine
- United Kingdom
- United States

Participating Regional and International Organisations

- Asian Development Bank (ADB)
- Inter-American Center of Tax Administrations (CIAT)
- Egmont Group of Financial Intelligence Units
- EUROPOL
- Financial Action Task Force (FATF)
- Organisation for Economic Co-operation and Development (OECD)
- World Bank Group
- World Customs Organization (WCO)

