

Second Forum on Tax and Crime, Rome, 14-15 June 2012

Speech by Mr. Roger Schjerva, State Secretary, Ministry of Finance, Norway

Dear hosts, ladies and gentlemen!

“All roads lead to Rome!” So, it is a great pleasure for me to be here and to attend this conference. Allow me first to congratulate the organizers of this conference, for delivering an impressive arrangement. I very much appreciate the excellent initiative of the OECD to once again organize a Tax and Crime Forum. I would also like to thank the Guardia Finanza for their generous hospitality, by hosting the conference.

In March last year, the OECD launched the “Oslo Dialogue” to promote a whole of government approach to tackling financial crimes and illicit flows. The underlying subject of the conference both last year and this year is to join forces in fighting financial crime.

The fact that the conference has gathered participants from many countries and different government agencies, demonstrate that this is a subject of great interest and importance for countries. The discussions so far indicate that the experience sharing will lead to inspiration for better solutions.

I am very impressed of the agenda and all the panellists put together for this 2-day event. The panellists have certainly given very valuable contributions to understanding and taking forward the important topics of the Forum.

So, why are we here? Why have I come all the way from Oslo to be here?

Money laundering, corruption, tax crime and other financial crime can threaten the strategic, political and economic interest of our countries. Financial crime undermines the effective governing of the society and the economic life. It may undermine the democratic control of the development of societies. It means less resources to public benefits or that others must pay a larger part of the public expenditures. It hurts business life because competition does not happen on equal terms. It threatens government revenues throughout the world. Revenues needed to secure and build infrastructure and the standard of living for everyone.

In short, we are here to fight unfairness and foolishness. To build a better future. And most of you people here, are working with different parts of this subject full-time. In my eyes, you are heroes!



Then, what do we need to succeed? We need three tools in this combat:

Firstly: Knowledge. Government authorities and agencies must understand the features in our society that may result in increased risks for financial crime.

There is a general need to know more about the use of tax havens and the relationships between tax havens and capital flows, and also the financial flows between developing countries and tax havens.

Under the Norwegian Research Council, there has been launched a five-year multidisciplinary research programme connected to challenges posed by tax havens in relation to financial flows from developing countries.

The goal of this programme is twofold: to achieve new knowledge on the challenges that tax havens and capital flows create in developing countries, and to strengthen the multidisciplinary competence in this field. The programme goals are to contribute to capacity building in Norway and in developing countries, as well as to stimulate closer cooperation and exchange of knowledge between authorities and researchers in Norway and in the South.

The programme contains three different projects. Firstly, the role of Tax Havens in global governance and regulation, secondly, systems of tax evasion and laundering - locating global wealth chains in the international political economy, and thirdly sustainable tax governance in developing countries through global tax transparency.

This is only one research program. Today we have been presented for a lot of other competence building projects. I am sure that these projects will give us valuable knowledge.

Secondly, our second tool is cooperation. Joining forces is crucial in combating economic crime.

This is in line with what we discussed in last years conference. Fighting economic crime requires greater transparency and improved cooperation between government agencies. The aim of such cooperation is to prevent, detect and prosecute economic crime. This fight must be fought both domestically and internationally.

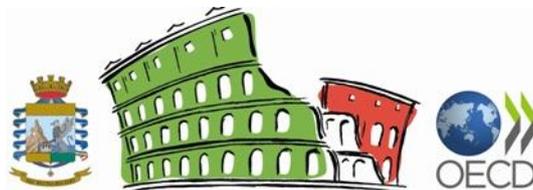
Tax authorities and law enforcement agencies in each country should join forces. The same authorities in different countries should also join forces, regardless of national frontiers.

On this background, we find it particularly helpful that the Task Force has worked out a document describing effective inter-agency cooperation in fighting tax crime and other financial crimes.

This report, the Rome report – presented and released here in “the eternal City” today describes the current position with respect to domestic inter-agency cooperation in 32 countries.

It is important to consider how cooperation can be made more effective within the existing framework.

In this light, we will start up a project in my country aimed at developing joint education for control authorities related to tax crime and other financial crime. One of the challenges is to develop a



education program for civil agencies that do not exercise ordinary police powers and methods. As we have heard here today, different countries already have developed such education programs, like for instance the FLETC education program in the US.

In my belief, joint education programs will be one important step in fighting financial crime in the future.

I hope that the report launched here in Rome will inspire countries to analyse and evolve new methods and systems of cooperation in the future. Also, I believe it will be helpful if the document itself, in some way may be updated as countries evolve and start up new legislation and models for cooperation.

As we have heard earlier today there will be launched a capacity building programme, in form of a Italian training centre primarily for developing countries to train their criminal tax investigators. In my view this is an excellent, practical outcome of the third pillar of the Oslo Dialogue and the follow up here in Rome. And also an excellent way of joining forces – countries helping each other, in making the most out of our common resources.

We very much appreciate the Italian initiative to host the pilot programme on capacity building, and the US-support in developing training materials for the programme. I am also pleased to announce that the Norwegian Government is ready to contribute financially in establishing the training centre.

Thirdly, we need improved, dynamic legislation.

We welcome the revision of the FATF Recommendations (International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation - the FATF Recommendations) finalised in February this year.

The revised standards are designed to improve transparency and more effective international cooperation, including exchange of information between relevant authorities.

The Tax and Crime Forum in Oslo last year endorsed the inclusion of tax crime as a predicate offence to money laundering. Meaning that tax crime may give a legal basis for pursuing potential money laundering of the proceeds of that tax crime.

The expansion of the scope of money laundering offences, with the revised standards, is a welcome and important step towards greater cooperation and information exchange between national anti money laundering and tax authorities, especially in countries which have not already criminalised the laundering of proceeds of tax crimes.

Norway take over the presidency in FATF in July, and the FATF Objectives Paper for 2012-2013 will be presented by the incoming president to the FATF Plenary here in Rome on Friday 22 of June.

A main task for FATF during the Norwegian presidency will be to promote and facilitate the implementation of the revised standards, included to follow up on the inclusion of tax as a predicate



offence. It is my opinion that that tax crime as a predicate offence for anti- money laundering measures also widens the scope for an active role in this area for other international organizations such as the IMF and the World Bank.

Continued coordination and cooperation between FATF, OECD and other relevant bodies is vital in the fight against financial crime.

So, to sum up – let`s keep up the good work for knowledge, cooperation and new legislation. To succeed we all have to make an effort to join forces in our fight against financial crime – both nationally and internationally. Let us use the opportunity that this conference here in Rome gives us, to get to know each other both professionally and personally. This is an excellent opportunity to establish connections. This could again contribute to better cooperation between agencies and between countries.

Thank You for your attention!