Outcomes Statement
7-8 November 2013 - Istanbul, Turkey

Financial crimes including tax fraud, corruption and money laundering are growing in sophistication and the sums involved are huge. The UN Office on Drugs and Crime estimates that criminal proceeds from all illicit activities represent around 3.6% of global GDP or US$2.1 trillion. Criminal activities are also dynamic and change quickly to take advantage of new opportunities for financial gain. The Oslo Dialogue, launched by the OECD at the First Forum on Tax and Crime in Oslo in March 2011, supports countries in combating these threats through greater transparency, more effective intelligence gathering, and improvements in co-operation between government agencies and countries to prevent, detect and investigate offences, prosecute criminals and recover the proceeds of their illicit activities.

Political leaders continue to stress the key role the fight against all forms of financial crime plays in supporting global recovery and reducing poverty. G20 leaders at the 2013 Saint Petersburg Summit emphasised how cross-border tax evasion, money laundering, terrorism financing and corruption undermine public finances, impede economic growth and poverty reduction, threaten financial stability and undermine the rule of law, and supported the ongoing work of the OECD, FATF, World Bank and other organisations to combat these threats

This week, 200 senior officials and specialists from almost 70 countries and international organisations who together share responsibility for combating financial crime in all its forms, came together in Istanbul to address priority issues that cut across disciplines and national borders and supported an ambitious programme going forward. Participants included officials from tax administrations, customs administrations, finance ministries, justice ministries, Financial Intelligence Units, anti-corruption authorities, law enforcement agencies, prosecution services, central banks and development assistance agencies (see the attached full list of participating countries and international organisations).

Back to back with the Forum, the Heads of Tax Crime Investigation from over 30 countries met for the first time to address strategic priorities and key emerging issues in tax crime prevention, detection and investigation, including recent trends in tax crime activity, and identify opportunities for countries to address these threats through greater sharing of intelligence and co-operation. They agreed to continue their co-operation with the Ukraine hosting the next meeting.

Topics covered at the Third Forum on Tax and Crime included:

- New strategies for inter-agency co-operation
- Developing the skills of tax crime investigators
- Digital currencies and financial crime
- Removing barriers to international co-operation
- Combating crime in the fisheries sector
- Tobacco smuggling
- Using Suspicious Transaction Reports to fight tax crime
- The role of tax in combating corruption
- Stemming illicit flows from developing countries
- Recovering the proceeds of financial crime

Participants stressed the importance of capacity building and welcomed the substantial progress in delivering the Capacity Building Programme for Tax Crime Investigators, aimed in particular at the needs of developing countries, with the first foundation course having been held in Italy in April. Participants thanked in particular Italy, Norway, Germany and the Netherlands for their contributions to launching this programme and highlighted the need for continued support.

Participants welcomed the recent adoption by the FATF of tax offenses as a designated predicate offenses to money laundering, which will provide mutual benefits to tax authorities and criminal justice authorities. It includes a broad definition of tax crimes and has the potential to broaden the number of competent authorities to include tax authorities in the exchange of information and international cooperation according to FATF Recommendations 2, 36, 37 and 40.

Officials also welcomed the release of the OECD's latest tools to support the fight against financial crime:

- ***Effective Inter-Agency Co-operation in Fighting Tax Crime and Other Financial Crimes*** describes mechanisms for inter-agency co-operation in 48 countries and builds on the success of the first edition, which since its release in June 2012 is already being used to support change in many countries.

- The ***Bribery and Corruption Awareness Handbook for Tax Examiners and Tax Auditors*** helps to raise awareness among tax officials of the critical role they can play in fighting corruption, the cost of which is estimated to exceed USD 2.6 trillion per year, and enables tax examiners and auditors to recognise indicators of possible corruption that they may encounter.

- The fisheries sector is of strategic importance to many developed and developing countries, with over 500 million people in developing countries dependent, directly or indirectly, on fishing and aquaculture for their livelihoods. The report ***Evading the Net: Tax Crime in the Fisheries Sector*** identifies vulnerabilities to a wide range of tax offences within the global fisheries sector and makes recommendations for how these crimes can be combated by countries acting alone and in co-operation with others. Countries are already acting on these recommendations, e.g. by the creation of the North Seas Fisheries Intelligence Group and the development of training modules.

Following these discussions and reflecting recent pronouncements by the G20, the OECD will work with national authorities and other international organisations to:

1. **Remove barriers to international co-operation**: Identify and analyse legal and operational barriers to effective international co-operation in combating tax crime and related offences, identify best practices to remove or reduce the negative effect of these barriers and make recommendations to countries for improving arrangements for co-operation with authorities in other countries.

2. **Maximise the benefits of using Suspicious Transaction Reports in combating tax crime**: Encourage greater cooperation and engagement between tax and anti-money laundering authorities, especially Financial Intelligence Units and in particular in the sharing of Suspicious

Transaction Report information and other financial data for the purposes of combating tax crime and where appropriate assessing taxes, and the associated risks.

3. **Strengthen the Capacity Building Programme for Tax Crime Investigators**: Continue to develop the OECD Capacity Building Programme for Tax Crime Investigators and other specialists, focused in particular on the needs of developing countries, through intensive foundation- and intermediate-level courses.

4. **Maximise efforts to stem illicit flows from developing countries**: Explore tools to help developing countries assess their areas of greatest risk from illicit flows and implement gateways for inter-agency co-operation that are appropriate to their needs.

5. **Monitor tax crime and other risks associated with the growth in digital currencies**.

6. **Strengthen cooperation with other authorities in the fisheries sector in particular on beneficial ownership.**

7. **Increase awareness of current initiatives to address the tax and other crimes associated with tobacco smuggling and identify gaps in existing legal and operational responses**. Tobacco smuggling remains a substantial and growing challenge for both developed and developing countries, with no single body co-ordinating the global response to these threats.

Participants warmly thanked the Turkish GIB, VDK and MASAK for hosting the events and look forward to advancing this important agenda. More information on the Third Forum on Tax and Crime and the publications released this week can be found at: http://www.oecd.org/ctp/crime/forumontaxandcrime.htm.

Participants at the Third Forum on Tax and Crime, in Istanbul on 7-8 November 2013, included officials from:

Argentina
Armenia
Australia
Austria
Azerbaijan
Belgium
Brazil
Burkina Faso
Cameroon
Canada
Chile
Colombia
Costa Rica
Denmark
Egmont Group of FIUs
Estonia
European Anti-Fraud Office (OLAF)
European Commission
EUROPOL
Financial Action Task Force (FATF)
Finland
France
Gambia
Georgia
Germany
Ghana
Greece
Hungary
Inter-American Center of Tax Administrations (CIAT)
Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA)
International Monetary Fund (IMF)
Indonesia
India
Ireland
Italy
Japan
INTERPOL
Kenya
Korea
Latvia
Luxembourg
Malaysia
Malta
Mexico
The Netherlands
Nigeria
Norway
Pakistan
Panama
The Philippines
Portugal
Senegal
Sierra Leone
Singapore
Slovenia
South Africa
Spain
Sweden
Switzerland
Tajikistan
Turkey
Uganda
Ukraine
Uruguay
World Bank
World Customs Organisation
World Health Organisation